



# ***Daily Report***

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## **China**

FBIS-CHI-92-225  
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# Daily Report

## China

FBIS-CHI-92-225

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20 November 1992

**NOTICE TO READERS:** An \* indicates material not disseminated in electronic form.

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## General

### U.S. Delegation to Jordan Shows 'Full Trust'

OW2011102792 Beijing XINHUA in English 0953  
GMT 20 Nov 92

[Text] Amman, November 20 (XINHUA)—The highest-level U.S. military delegation since the Gulf crisis will arrive here early next week for a visit to promote military cooperation with Jordan.

A high-placed Jordanian military source told XINHUA today that the delegation will discuss with the Jordanian side the kingdom's military needs and its participation in future defense arrangements in the region.

The source, speaking on condition of anonymity, noted that the coming visit by the delegation indicates that the United States "has full trust on the kingdom" so far as military cooperation is concerned. [sentence as received]

The delegation will also tour other Middle East countries to discuss military cooperation, said the source, but he did not name the countries.

Officials of the U.S. Embassy here neither confirmed nor denied the report, but said only that the U.S. and Jordan "have very good relations and military cooperation between them will further develop."

The traditional close ties between Jordan and the U.S. were soured when Jordan shunned the U.S.-led coalition forces that drove Iraq out of Kuwait during the Gulf war. However, bilateral relations have improved after the kingdom reacted positively to U.S. peace initiatives in the Middle East.

The armed forces of the two countries resumed joint exercises in September this year.

However, relations between the two countries have not yet restored to their pre-Gulf war level.

In a statement issued earlier this month following Bill Clinton's victory in presidential elections, the U.S. Embassy said the U.S. policy toward Jordan would remain unchanged.

The statement assured Jordan that the Clinton administration would maintain good relations with the kingdom and continue to give it economic and military assistance, which stands at (\$50 million dollars annually).

### 'Equitable' New World Information Order Urged

OW1911194792 Beijing XINHUA in English 1922  
GMT 19 Nov 92

[Text] United Nations, November 19 (XINHUA)—China said that in order to narrow the huge information gap between developing and developed countries, it is essential to establish a more equitable and effective new world information order.

Speaking at the Special Political Committee today, Chinese delegate Zhang Wanhai said that his government, supporting the establishment of such an information order, believes that the world is a diversified one where different countries have different social systems, different historical background and different cultures and ideologies.

"In the process of striving for a more extensive and balanced communication and diversification of information sources, the principles of the U.N. Charter must be followed and respect should be given to sovereignty of all states and to their cultural traditions and social values," emphasized the Chinese delegate.

Only by respecting others, he continued, can people of different countries in the world genuinely understand each other.

He said that China is willing to strengthen its cooperation with the U.N. and other countries through multilateral and bilateral channels and continue its efforts to widen China's public knowledge of the rest of the world and deepen other peoples' understanding of China.

The Special Political Committee has entered the third day of considering questions related to information.

### UN Envoy on 'Deteriorating Situation' in Liberia

OW2011001592 Beijing XINHUA in English 2347  
GMT 19 Nov 92

[Text] United Nations, November 19 (XINHUA)—China today expressed concern at the deteriorating situation in Liberia, where rebel forces led by Charles Taylor are fighting government and West African forces for the control of Monrovia, the country's capital.

"We urge all the parties to the conflict in Liberia to immediately cease their confrontation, realize cease-fire at an early date and, with the mediation efforts of ECOWAS [Economic Community of West African States], earnestly implement Yamoussoukro IV Accord so as to create conditions for a peaceful solution," Li Daoyu, China's permanent representative to the United Nations, told a Security Council debate this afternoon.

The ambassador expressed the hope that the parties concerned in Liberia will, in the interest of the nation and people, seek a peaceful solution through negotiations and dialogue at an early date for the eventual realization of national reconciliation.

Today's Security Council debate was held at the request of the Economic Community of West African States (ECOWAS), whose 12,000 peace-keeping force has since 1990 been in Liberia in a bid to stop the civil war, which broke out after Taylor's forces entered the country from Cote d'Ivoire [Ivory Coast] to oust the government.

Taylor's troops now control most of the country and last month launched attack on Monrovia in violation of the

Yamoussoukro IV Accord, which calls for a cease-fire, disarming of the warring parties and free and fair elections in the country.

The Chinese ambassador noted that the three-year-old armed conflict in Liberia has not only inflicted heavy losses of property and life, but also threatened peace and security in the neighboring states and the region as a whole.

More than 20,000 people have reportedly been killed in the war and 40,000 others have starved to death since 1990.

Ambassador Li praised ECOWAS for its peace efforts in Liberia, saying the Yamoussoukro IV Accord brings new hope to the political settlement of the Liberian question and hoped that new progress will be made in the efforts of Africa, the United Nations and the international community to stop the bloodshed and bring peace there.

#### UN Envoy Discusses Children's Development

OW1911231192 Beijing XINHUA in English 2227  
GMT 19 Nov 92

[Text] United Nations, November 19 (XINHUA)—China attaches great importance to the education and protection of children and has provided a sound environment for their moral, intellectual and physical development.

These remarks were made here this afternoon by Zhang Yishan, representative of China to the third committee of the 47th UN General Assembly, when it took up the item on human rights.

The session today is part of the first phase of the committee's consideration on the issue, which, from 16 to 20 November, will deal with implementation of human rights instruments. The second phase, from 23 November to 4 December, will be devoted to the discussion on human rights questions and situations.

Zhang's statement centered on the protection of the rights of children. He said that China, a sponsor of the "Convention of the Rights of the Child," which was adopted by the UN General Assembly in 1989, signed the convention in 1990 and its legislature ratified it in the following year.

To implement the convention's purposes, principles and provisions, China's congress promulgated in 1991 the "Law of the People's Republic of China on the Protection of Minors," which, Zhang said, had provided new guarantees for the enhanced protection of children's rights.

Last August, Zhang continued, the Chinese Government and UNICEF jointly sponsored the second session of consultations on the convention in East Asia and the Pacific region, which adopted the "Beijing Agreement" aimed at enhanced cooperation between states and regions for the implementation of the convention.

He also said that his delegation appreciated the efforts of the UN Economic and Social Council for its preparation of the "Declaration on the Protection of All Persons From Enforced or Involuntary Disappearances," which had been submitted to the current General Assembly for deliberation and adoption.

He said that the purpose in drawing up the declaration is to raise people's awareness of the question and to urge all governments and judicial departments to adopt and strengthen measures to protect their citizens from violations of their rights.

However, he said, the declaration could not supersede corresponding national legislation, still less should it intervene in the normal judicial procedure of a state.

"Only when the principles provided for in the declaration are combined with the legislation and legal practices of all states," he said, "will it be possible to genuinely accord effective protection to all persons against enforced or involuntary disappearances."

#### 'Pen Talk' on Peaceful World Environment

HK2011073092 Beijing RENMIN RIBAO in Chinese 9  
Nov 92 p 5

["Pen Talk on Arming Whole Party With Comrade Deng Xiaoping's Theory of Building Socialism With Chinese Characteristics" by Liu Huaqiu (0491 5478 4428) and Yang Chengxu (2799 2052 4872): "Strive To Create a Peaceful International Environment That Can Last for a Relatively Long Time"]

[Text] In face of a turbulent and volatile international situation, China has been actively pushing forward its diplomatic work, continually consolidating and opening up a new situation in its external relations, and striving for the creation of a favorable and peaceful international environment in which it can push ahead with its opening up and socialist modernization drive, thus contributing to global peace and development. After studying the 14th CPC National Congress report, we have acquired a deeper understanding of the important issue of creating a favorable and peaceful international environment.

1. Since the Third Plenary Session of the 11th CPC Central Committee, our country has scored world-renowned achievements, maintained political and social stability, and brought about economic prosperity and growth by sticking to the party's basic line of "one center, two basic points." In the meantime, our country's foreign policy of independence and peace has also won major successes on the diplomatic front.

China has witnessed a period of rapid growth of its external relations since 1979, when it first started reform and opening up. During this period, China has established diplomatic relations with more than 40 countries, including the United States, Saudi Arabia, Israel, and the Republic of Korea [ROK]. This year alone, China has established diplomatic relations with 15 countries,

thereby bringing the number of countries with which China has established diplomatic relations up to 154. These successes have significantly enlarged the scope of China's external relations. We now have friends all over the world. Through exchange of visits by senior officials and exchanges and cooperation at different levels and through various channels, China's relations of friendship and cooperation with countries the world over have developed in breadth and depth.

Developing good-neighbor relations with other countries is one of China's consistent policies. Over the past few years, China's relations of friendship and cooperation with neighboring countries have experienced a marked development. China's traditional friendship with the Democratic People's Republic of Korea [DPRK], Pakistan, Bangladesh, Nepal, Burma, Mongolia, the ASEAN countries, and various neighboring countries has been further enhanced. China normalized relations with Vietnam and signed a border treaty with Laos, thus settling a long-standing border issue. The Chinese premier and the Indian prime minister have also exchanged visits. Indian President Venkataraman's visit to China this year has further strengthened bilateral relations. In 1989, China normalized relations with the former Soviet Union and went on to maintain and develop normal state relations with the CIS countries. China and Russia have concluded and ratified an agreement concerning the eastern section of the Sino-Russian border and reached an agreement on their bilateral economic relations and trade. Russian Federation President Boris Yeltsin is scheduled to visit China in December this year. Sino-Japanese relations have developed in a comprehensive and deep way since China and Japan established diplomatic relations 20 years ago. The visits to Japan by Jiang Zemin, CPC general secretary, and Wan Li, National People's Congress Standing Committee chairman, this year and the recent visit to China by Japanese Emperor Akihito have pushed the Sino-Japanese relations of friendship and cooperation onto a new stage of development. The establishment of diplomatic relations with the ROK and ROK President No Tae-u's visit to China not long ago have also opened up broad vistas for a general development of China-ROK relations and are of great significance to both peace and stability in northeast Asia and the Asia-Pacific region as a whole. All these facts have demonstrated that China's good-neighbor relations with other countries have entered a new period marked by a comprehensive development. To promote economic cooperation in the Asia-Pacific region, China successfully hosted the 48th conference of the UN Economic and Social Commission for Asia and Pacific [UNESCAP] and participated in the Asia-Pacific Economic Cooperation Conference, with the result that China has successfully created a friendly and peaceful environment surrounding itself to the east, the west, the south, and the north and entered the best period in its good-neighbor relations with other countries ever since the PRC's founding.

As China is a member of the Third World, China's foreign policies aim primarily at enhancing solidarity

and cooperation with Third World countries. In recent years, under the new historical conditions, the world is in for a period of drastic changes, the friendly and cooperative relations between China and the Third World countries have been further cemented. There have been more exchanges of visits by senior officials while the domains for cooperation have widened, the mode of cooperation diversified, and phenomenal achievements scored in the cooperation process. As far as international affairs are concerned, both sides have further strengthened coordination, cooperation, and assistance. The admission of China as an observer of the nonaligned movement and attendance at the 10th Summit of Non-aligned Countries by Qian Qichen, Chinese state councillor and foreign minister, signalled a new stage of growth in the relations between China and the non-aligned movement which is formed mainly by Third World countries. Moreover, China's relations with the Group of 77 have also developed in a constructive manner.

China always attaches great importance to developing relations with Western countries while waging a resolute struggle against certain Western countries which imposed sanctions against it or interfered in its internal affairs. China has successfully withstood the pressure, broken through sanctions, and safeguarded its sovereignty and national dignity. In recent years, Chinese leaders have visited Japan, Britain, and Italy while the leaders of these three countries have also paid reciprocal visits to China. Relations between China and other Western countries are also gradually returning to normal. Although Sino-U.S. relations experienced some serious difficulties, there has by and large been some improvement and progress in this respect. Moreover, exchanges and cooperation between China and Western countries in various fields, such as economy, trade, science, technology, and so on, have embarked on the track of normal development. In 1991, Sino-Japanese trade volume totalled \$22.8 billion, reaching an all-time high, while Sino-West European trade volume and Sino-U.S. trade volume totalled \$17.32 billion and \$14.2 billion respectively, representing increases of 11.38 percent and 17 percent respectively over the previous year.

As far as multilateral relations are concerned, as a founding member of the United Nations and a permanent member of the UN Security Council, China has taken an active part in such international activities as disarmament, arms control, prohibition of chemical weapons, environment and development, and human rights, and has played an important role in settling and promoting the settlement of these issues. A delegation led by Premier Li Peng attended the Security Council summit meeting in January, this year. In June of this year, another delegation led by Premier Li Peng attended the UN Conference on Environment and Development held in Rio de Janeiro. China has also actively participated in the political settlement of a number of regional issues and played a unique role in that respect. All these efforts have been appreciated and praised by the international community.



Thanks to the success of its independent foreign policies of peace, China's external relations have developed rapidly, its international influence has increased steadily, and its international standing has risen. China has always been resolute in opposing hegemonism and power politics and never sought hegemonism or spheres of influence. It has maintained independence and kept the initiative in its own hands. It will never form an alliance or establish strategic relations with any other country or any group of countries, nor will it participate in any military blocs. It will persist in developing friendly relations with all countries on the basis of the five principles of peaceful coexistence regardless of their social systems and ideologies. Practice has time and again proven that China's independent foreign policies of peace are not only conformable to the global tendency but also conducive to the healthy development of international relations as well as peace and progress the world over.

**2. Peace and development are at once the tide of the present-day world and two major historical missions facing mankind. Development is the basis for safeguarding peace while peace is the guarantee for promoting development. These two aspects are mutually conditioned, related, and supplemented, and are inseparable from each other. This is so for the whole world as well as for any individual country.**

Creating a peaceful international environment is both the primary task and goal of China's foreign policies and the important guarantee of and premise for fulfilling China's great historical missions in the new period. Since the Third Plenary Session of the 11th CPC Central Committee, the second generation of the CPC collective leadership with Comrade Deng Xiaoping at the core has brought order out of chaos and realized a shift in focus of all CPC work with the result that economic construction has become both the central task and the focus of work for the whole party and China's socialist construction has entered a new stage of historical development. Therefore, in addition to maintaining domestic political stability, striving for a peaceful international environment has become another item on top of the state agenda. It would be impossible to carry out economic construction in the absence of a peaceful international environment. Only under peaceful conditions will we be able to concentrate heart and soul on economic construction and assemble all human, material, and financial resources to guarantee a sound economic growth in all fields. Except in case of a large-scale foreign invasion, no matter what happens, we must unswervingly adhere to economic construction as the center and strive for a peaceful international environment that can last for a relatively long period of time. This is because so doing not only accords with the fundamental interests of the state but also constitutes an objective demand of China's historical development.

A peaceful international environment is the prerequisite for opening up to the outside world and strengthening worldwide cooperation. If China's door remained closed,

it would be impossible for us to realize modernization. Only by throwing ourselves into the world economic tide and the world economic market; inviting large amounts of foreign capital, technology, advanced management experiences, and the cream of the human civilization; and making them serve our own purposes will we be able to withstand tests and enhance our vigor in international market competition. Nevertheless, this is first and foremost determined by whether or not we have a peaceful and stable international and domestic environment. There is an ancient saying that goes: "Do not go to an endangered country; do not live in a chaotic country." A country fraught with incessant civil wars lacks even the basic conditions for external exchanges and can only experience a large-scale outflow of foreign funds and foreign businessmen. How can foreign businessmen make investments and do business in such a country? Since implementing reform and opening up policies, China has maintained political stability, secured a benign circle in its economic growth, created a sound international environment, and continually expanded economic relations with other countries. From 1980 to 1991, China's foreign trade volume rose from \$38.1 billion to \$135.7 billion, representing a 350-percent increase. China has also gradually increased its use of foreign funds. By the end of 1991, the amount of foreign funds registered in China totalled \$46 billion. This year, under the guidance of the spirit of a series of important speeches made by Comrade Deng Xiaoping during his south China tour, China has further deepened its reform, expanded its opening up, quickened its construction pace, and made new breakthroughs in its external economic relations. From January to September this year, China's foreign trade volume totalled more than \$110 billion, representing an 18.6-percent increase over the corresponding period last year. During the same period, China also approved the setting up of 27,808 foreign-funded enterprises whose contractual investment reached \$30.66 billion, representing a 330-percent increase over the same period last year. All these are at once the major achievements of China's policy of opening up to the outside world and the inevitable result of China's efforts to create a peaceful international environment.

In the period between the end of this century and the middle of the next, China must attain its magnificent goal of basic socialist modernization. Therefore, a peaceful international environment that can last several decades is of great importance to China. In the early 1980's, the CPC Central Committee reassessed and reexamined the international situation, especially the question of war and peace in the world, in light of the contemporary world strategic pattern as well as international relations with the result that it finally put forth such a scientific thesis that it is possible to prevent a new world war in this century and for a considerably long time to come in the next. This scientific thesis is the important basis upon which our party has brought about a shift in the focus of its work. The changes in the

international situation over the past few years have once again attested to the correctness of the CPC Central Committee's thesis.

**3. At the moment, the international situation is undergoing drastic peacetime changes unparalleled in the modern history of the world. The confrontation between the two superpowers and between East and West, which had lasted for more than 40 years, has ended with the disintegration of one side. The world is developing toward multipolarization at an accelerating pace. Such changes have provided an opportunity for maintaining world peace and creating a peaceful international environment.**

It is quite possible to avoid a new world war and create a peaceful international environment for a long time to come. First, following the end of confrontation and contention between the two superpowers and between East and West, the main factors capable of causing a new world war no longer exist; second, as the world is developing toward multipolarization, all the principal forces that condition, influence, link, and restrict one another are conducive to the maintenance of peace and stability in the world; third, the numerous regional hot spots caused by confrontation between the two superpowers in the past have either been removed or have cooled down; fourth, economic, scientific, and technological factors are playing an increasingly important role in the external relations of various countries and in international relations as a whole, while international competition relies more and more on scientific and technological advancement as well as on a country's comprehensive national strength; fifth, the world economy is developing in the orientation of internationalization, regionalization, conglomeration, mutual infiltration, and mutual reliance; sixth, people all over the world and the large number of developing countries constitute an important force in safeguarding peace in the world and preventing a new world war from breaking out.

In the meantime, the situation in the Asia-Pacific region has remained relatively stable, and this is conducive to maintaining a peaceful environment around us for a long time to come. Because forces in the Asia-Pacific region as well as interrelations among these forces have remained relatively balanced and stable and there has been no serious imbalance among these forces, the Asia-Pacific region has maintained a momentum of sustained economic growth and become a region known for as the fastest growing and most dynamic economy in the world. Thanks to the continued expansion and deepening of economic cooperation among various countries and regions in the world, the Asia-Pacific region has been affected only slightly by the drastic global changes and has remained basically stable. A political settlement is well under way for the Cambodian question at the moment. On the Korean peninsula, North and South Korea have made breakthrough progress in their reconciliation.

Tension has been gradually eased and stability gradually restored on the Korean peninsula. The overall relations among various countries in the Asia-Pacific region have been cemented. Some countries have taken measures to step up security and enhance mutual trust along their common borders while others have cut down the number of troops stationed in border areas. All these moves are beneficial to a thorough elimination of both tension and conflicts in the region. Although there are still some factors of instability in the Asia-Pacific region, safeguarding friendly relations among countries and maintaining regional security are still the premises on which countries carry out development. These premises accord with the fundamental interests of all the countries in the Asia-Pacific region. This state of relative stability will continue into the future.

In the volatile international situation, our party has remained sober-minded in its comprehension and assessment of both the world situation and the major events by seeking truth from facts in accordance with the principle of calm observation and sober-minded handling. As a result, China's socialist system has withstood tests while the Chinese people have been able to stand firm. We have won both sympathy and support from the broad masses of the developing countries and their people. China's influence on and role in international affairs have also grown steadily. At a time when economic internationalization is being speeded up, we have been able to assimilate what is useful all over the world and make it serve our own purposes. We also have enjoyed excellent opportunities, favorable geographical conditions, and popular support in our endeavors to invite foreign capital. Thanks to a gradual balance of strength among big powers, China now has more instead of less room for maneuver in the international arena.

In one word, just like what Comrade Deng Xiaoping pointed out in a series of important speeches he made during his south China tour, we are now facing an excellent opportunity to further our economic construction. We must firmly grasp this excellent historical opportunity to speed up the pace of reform and opening up, further our external relations, focus on our domestic economic construction, and push our comprehensive national strength onto a new stage as quickly as possible to lay a solid foundation on which we will be able to face up to much bigger challenges in the forthcoming 21st century.

**4. We must remain sober-minded and be aware that hegemonism and power politics still exist in the world. Of the issues of peace and development, none has been resolved. Some of the contradictions and problems inherent in the world have not yet been resolved from the roots while new contradictions and problems have cropped up in some areas. Due to the serious imbalance of forces, such contradictions and problems as national contradictions, territorial disputes, and religious conflicts, which used to be covered up by the Cold War, have surfaced and even developed into violent conflicts in some areas, resulting in new hot spots and local wars. It is actually not**

so peaceful in the world. With the increase of unpredictable factors in the changing international situation, new crises and conflicts are still likely to emerge.

We must continue to consolidate and develop friendly relations with neighboring countries. We have already demonstrated full sincerity and taken real action to this end. To strengthen good-neighbor relations and continually push ahead with regional peace and stability, the Chinese Government has reiterated its commitment to a peaceful settlement with the neighboring countries of border disputes and other problems left over from history and has undertaken not to employ force or threat of force under any circumstances in this process. Now some people have raised a hue and cry about the disputed islands in the South China Sea by talking about the so called "Chinese threat" and "China filling in the vacuum." China has never encroached upon the sovereignty of, interfered in the internal affairs of, or threatened other countries. China is always opposed to the so called "filling in the vacuum" and will never practise "filling in the vacuum"; nor is it possible for China to "fill in the vacuum." It is China's consistent stance to settle international disputes through consultations on an equal footing and through mutual understanding and mutual accommodation. The Spratlys have been Chinese territory throughout history. China enjoys indisputable sovereignty over them. However, after taking account of realities, China has forwarded the proposition of peacefully settling disputes, putting aside differences, and conducting common development. This proposition is conducive to maintaining regional peace and stability and has been widely praised and understood by South-east Asian countries.

We should further develop friendly relations of cooperation with developing countries as well as other countries and constantly broaden both the space and the realm for expanding our external relations on the basis of the five principles of peaceful coexistence. Third World countries, namely, developing countries which are large in number, big in population, superior in geographical location, and rich in resources, make up the principal body of the world and are an important force in safeguarding world peace. Therefore, we must politically strengthen contacts, consultations, and cooperation with these countries while developing close relations of economic cooperation with them in accordance with the principle of equality, mutual benefit, high efficiency, diversity in form, and common development. In international affairs, China and the Third World countries should sympathize, cooperate, and support each other.

There are still problems remaining in the relations between China and some Western countries, this being abnormal. It is both necessary and possible for China to develop relations with these countries, for this is beneficial to world peace and the common interests of both sides as well. There are still some difficulties in and obstacles to Sino-U.S. relations. The development of normal relations between China and the United States

accords with the fundamental interests of the two countries and is of vital importance to peace and stability in the Asia-Pacific region and in the world as a whole. So long as both sides take into account the overall situation and strictly observe the principles embodied in the three Sino-U.S. communiques, they will certainly surmount all difficulties and obstacles and resume and develop normal state relations.

We must take further steps in reform and opening up; make constant efforts to improve the investment environment; attract more foreign capital; and develop relations of economic, scientific, technological, and trade cooperation with all countries in the world on the basis of equality, mutual benefit, and supplying what each other lacks. We must oppose trade protectionism and all sorts of unfair, unreasonable, and discriminatory practices in the international relations. China's legitimate position as a signatory to the GATT must be restored as soon as possible because it will not only help facilitate China's involvement in the international economic cooperation and trade but also help promote common prosperity in the world economy as a whole.

China has always opposed the arms race and stood for disarmament and arms control. The principle China has advanced is one of fair, rational, overall, and balanced disarmament and arms control. This principle has played a positive role in promoting the healthy development of disarmament in the world. China's limited arms development and nuclear capability are solely aimed at meeting its national defense needs. China's military expenditure is not only far lower than those of big developed countries but also lower than those of some big developing countries. In fact, it is the lowest in the world on the per capita basis. Despite the facts, China unilaterally cut down the number of its troops by 1 million in the late 1980's.

Hegemonism and power politics constitute a grave threat to world peace. To prevent conflicts and wars and promote peace and development in the world, it is imperative to take a clear-cut stand and oppose hegemonism and power politics of any description; oppose the invasion of one country by another; and oppose expansion and interference in the internal affairs of other countries to establish a peaceful, stable, fair, and rational new international order on the basis of the five principles of peaceful coexistence and the UN Charter and establish a new international relationship characterized by mutual respect, equality, mutual benefit, cooperation, and friendly coexistence among all countries in the world. This is the basic guarantee for maintaining world peace.

Although the international situation remains volatile and there are still difficulties and challenges in the world, peace and development as well as friendship and cooperation are still the mainstream in the current international situation and international relations. So long as all the countries in the world unite and cooperate with one another and make concerted efforts, it is highly possible



to continue to maintain peace in the world and strive for common development through the end of this century and for along time to come in the next century.

### Central Eurasia

#### Qian Qichen Continues Visit to Uzbekistan

##### Meets Supreme Soviet Chairman

OW2011015092 Beijing XINHUA in English 0121  
GMT 20 Nov 92

[Text] Tashkent, November 19 (XINHUA)—Sh. Yuldashev, president of Uzbekistan's Supreme Soviet, said here today he hoped China and his country will open up a new "Silk Road" through furthering their cooperation in economy and other fields.

Speaking with visiting Chinese State Counselor and Foreign Minister Qian Qichen, Yuldashev said that to develop its economy, Uzbekistan should conduct a study of China's political and economical reform experiences.

Both oriental countries, Yuldashev said, Uzbekistan and China have many points in common, and no obstacle exists for development of bilateral ties.

He also spoke highly of China's policy to resolve international conflicts through peaceful means.

Qian said as neighboring countries, both China and Uzbekistan want to establish regional stability and to develop their own economies. This is the basis for economic cooperation between the two countries, he said.

Qian said he believed both countries certainly would enjoy development in all the fields, including the economy, trade and exchanges of legislative bodies.

Qian was on his first tour to Commonwealth of Independent States (CIS) nations after the collapse of the former Soviet Union.

He arrived in Uzbekistan Wednesday, which is the first stop on his four-nation CIS trip, followed by Kyrgyzstan, Kazakhstan and Russia.

##### Ends Visit, Leaves for Kyrgyzstan

OW2011105192 Beijing XINHUA in English 1040  
GMT 20 Nov 92

[Text] Tashkent, November 20 (XINHUA)—Chinese Foreign Minister Qian Qichen said here today he was pleased with his three-day visit to Uzbekistan which has achieved the expected goals.

Qian said in an interview with the UZA-TASS that relations between China and Uzbekistan have developed smoothly and bilateral trade cooperation have made progress.

The two countries have established 20 joint ventures, promising a bright future for bilateral economic and trade cooperation, he said.

China and Uzbekistan established diplomatic relations early this year and a series of agreements have since been signed between them.

Qian left for Kyrgyzstan early this morning. He will also visit Kazakhstan and Russia in this four-nation tour.

#### Yang Shangkun Urges Cooperation With Turkmenistan

OW2011083692 Beijing XINHUA in English 0817  
GMT 20 Nov 92

[Text] Beijing, November 20 (XINHUA)—Chinese President Yang Shangkun and his Turkmenistan counterpart Saparmurad Niyazov today called for more cooperation between the two countries.

Yang, in his meeting with Niyazov here today, said that the cooperation between the two countries in the scientific, technological and cultural fields has broad prospects.

He noted that the Chinese Government and people treasure the traditional friendship between the two nations, and the economies of the two countries are mutually complementary.

He added that China is ready to develop friendly relations and cooperation with Turkmenistan on the basis of the Five Principles of Peaceful Co-existence.

President Niyazov, echoing Yang's remarks, said that his country, which is seeking a road of development based on its own national conditions, is willing to strengthen cooperation with China in various aspects.

He noted that China was among the first countries to recognize and establish diplomatic relations with Turkmenistan.

President Yang said that Niyazov's visit, on which he is accompanied by many senior officials of the Turkmenistan Government, comes shortly after Turkmenistan's achievement of independence.

Yang said China and Turkmenistan have a long history of friendly contacts, as the ancient Silk Road linked the two peoples 2,000 years ago.

He expressed the belief that the visit will surely increase mutual understanding and cooperation, thus "turning a new page" in bilateral relations.

Yang praised Turkmenistan for its domestic stability and its friendly-neighbor foreign policy, saying that stability is the most important thing for the development of a country.

China holds that the divergences and disputes between different countries should be solved through consultations and neither force nor the threat of force should be resorted to, the Chinese president told his guest when he spoke of China's independent foreign policy of peace.

China opposes hegemonism and opposes the bullying by big nations of small ones or by rich nations of poor ones, Yang said. President Niyazov agreed with Yang on the point that all countries, big or small, are equal.

Yang also briefed the visitors on China's economic development and reform. Niyazov, giving an account of the economic conditions of his country, in return, expressed his appreciation for China's progress in economic, scientific and technological and cultural fields.

Niyazov invited Yang to visit Turkmenistan, and Yang thanked him for the invitation.

Prior to the meeting, Yang presided over a welcoming ceremony at the Great Hall of the People here for Niyazov and his party.

Those who were present at the meeting included Lei Jieqiong, vice-chairwoman of China's National People's Congress Standing Committee, Wan Guoquan, vice-chairman of the China Democratic National Construction Association's Central Committee, Chen Minzhang, chairman of the Chinese Government reception committee and minister of public health, and Qi Huaiyuan, director of the Foreign Affairs Office under the State Council.

The 11 deputy prime ministers and a number of senior officials accompanying President Niyazov on the visit were also present.

Niyazov arrived here last night on a five-day official visit at the invitation of Yang.

This is Niyazov's first visit to China in his capacity as president of Turkmenistan.

#### **Moldovan President Reports on PRC Visit**

*OW2011021892 Beijing XINHUA in English 0201 GMT 20 Nov 92*

[Text] Bucharest, November 19 (XINHUA)—Moldovan President Mircea Ion Snegur said Thursday that China between 1978-1992 has had one of the fastest periods of economic development in the world.

Before the Supreme Soviet of Moldova, the president reported on his recent visit to China.

Snegur said that during his visit, he not only had seen the achievements of a rapidly developing economy in the past years, but he had also paid close attention to China's development of a market-style economy.

He stressed that as a result of his visit the prospects were bright for further economic cooperation between the two countries.

Snegur urged his country to learn from China's experiences, including in particular: economic reform must start in the agricultural sector; the need to establish free economic zones; and economic reform must work with unity of purpose.

### **Northeast Asia**

#### **Li Tieying Meets Sino-Japanese Mountain Climbers**

*OW2011083292 Beijing XINHUA Domestic Service in Chinese 0633 GMT 17 Nov 92*

[By reporter Gu Juan (7357 3197)]

[Text] Beijing, 17 Nov (XINHUA)—Li Tieying, member of the CPC Central Committee Political Bureau, state councillor, and minister of the State Education Commission, today met with the brave Chinese and Japanese mountain climbers who successfully scaled Nanjiabawa Mountain, and other relevant personnel at the Jilin Lounge in the Great Hall of the People. Later, he posed for a photo session with them.

Praising the mountain climbers, Li Tieying said that by scaling the world's highest unclimbed mountain, Nanjiabawa Mountain, they presented a valuable gift to the people of China and Japan at a time when they are marking the 20th anniversary of the normalization of diplomatic relations, and as the Japanese Emperor was visiting China. He expressed his hope in advance that the friendship of the people of China and Japan will reach a new high, as high as the Nanjiabawa Mountain, in the 20th Century.

Wu Shaozu, minister of the State Physical Culture and Sports Commission, and Shi Zhanchun, president of China's Mountaineering Association, were also present.

### **Southeast Asia & Pacific**

#### **Cambodia's Sihanouk Arrives in Beijing**

*OW2011073292 Beijing XINHUA in English 0649 GMT 20 Nov 92*

[Text] Beijing, November 20 (XINHUA)—Samdech Norodom Sihanouk, head of state and chairman of the Supreme National Council of Cambodia, and his wife arrived here from Pyongyang by special plane today.

They were greeted at the airport by Chinese Vice-Minister of Foreign Affairs Xu Dunxin, and diplomatic envoys of Cambodia and the Democratic People's Republic of Korea here.

### **New Zealand Official Meets Antarctic Team**

OW2011034692 Beijing XINHUA in English 0323  
GMT 20 Nov 92

[Text] Wellington, November 20 (XINHUA)—New Zealand [NZ] Deputy Prime Minister Don McKinnon has hoped for a further strengthening of cooperation between New Zealand and China on Antarctic programs.

McKinnon, who is also NZ's minister of external relations and trade, expressed the desire at a meeting with leaders of the Chinese ninth Antarctic expedition team here today.

After extending warm welcome to the expeditioners to New Zealand, McKinnon said that New Zealand and China had had a good start in Antarctic program cooperation, such a cooperative relations should continue and be further strengthened, he said.

New Zealand had assisted China develop its science program on the continent by hosting four guest Chinese scientists to work at NZ's Scott Base in the Antarctic between 1982 and 1984.

During the meeting, Dong Zhaoqian, leader of the expedition and chief scientist of the team briefed the minister on China's Antarctic program and the major tasks of the current mission.

Present at the meeting were Wei Wenliang, captain of the Jidi (Polarland) Antarctic ship, Liu Shuyan and Gao Zhensheng, heads of China's two Antarctic bases, the Great Wall and the Zhongshan stations, and Chinese Ambassador to New Zealand Li Jinhua. It was the sixth time that the Jidi has been undergoing the Antarctic mission but the first time to berth in a New Zealand port.

### **Jilin Secretary Talks With Thai Delegation**

SK2011071792 Changchun JILIN RIBAO in Chinese 2  
Nov 92 p 1

[Text] He Zhukang, secretary of the provincial party committee, met at the Changbaishan Guesthouse on the evening of 31 October with Wang Jingwu, executive vice president of Thailand's Chia Tai Group, his wife, and other Thai guests accompanying them. He Zhukang extended a warm welcome to Mr. Wang Jingwu and his party for visiting Jilin again. He said to the guests: With the guidance of the 14th CPC Congress guidelines, Jilin will continue opening up to the outside world and expedite its economic cooperation with foreign countries. Jilin welcomes expanded cooperation with the Chia Tai Group. Mr. Wang Jingwu said: We saw flourishing scenes in all the places we visited. The Chia Tai Group thanks Jilin for its tremendous support in various fields and hopes for expanded cooperation with companies and enterprises in Jilin. Present at the meeting were Liu Xilin, vice governor; Sang Fengwen, secretary general of the provincial government; Yang Qingcai, deputy

secretary general of the provincial government; and Liang Jichang, director of the provincial foreign affairs office.

### **West Europe**

#### **Vice Premier Zhu Rongji Arrives in Finland**

OW2011011192 Beijing XINHUA in English 0047  
GMT 20 Nov 92

[Text] Helsinki, November 19 (XINHUA)—Visiting Chinese Vice Premier Zhu Rongji said here today he hoped his visit will help promote the relations and cooperation between China and Finland.

The remarks were contained in a written statement made by Zhu upon his arrival at the airport here for a four-day visit at the invitation of Finnish Vice Premier and Foreign Trade Minister Pertti Salolainen.

Zhu was received at the airport by Finland's Foreign Minister Paavo Vayrynen.

During his visit, Zhu will meet with Finnish Government leaders and discuss issues of mutual concern, and in particular, the economic cooperation and trade between their countries, sources said.

Finland is the second leg of Zhu's European tour, which will also take him to Denmark, Sweden and Norway.

The vice premier had visited Britain before arriving in Finland, which established diplomatic ties with China 42 years ago.

#### **Li Tieying-Led Group To Visit Various Countries**

OW1911092492 Beijing XINHUA in English 0735  
GMT 19 Nov 92

[Text] Beijing, November 19 (XINHUA)—A Chinese education delegation headed by Li Tieying, state councillor and minister in charge of the State Education Commission, left here by air today on an official visit to the Netherlands and Portugal.

The delegation will also visit Austria.

The members of the delegation include Vice-Minister Teng Teng of the State Education Commission and Vice-Governor of Henan Fan Qinchun.

Vice-Minister of the State Education Commission Zhu Kaixuan and diplomatic envoys of the three countries to China saw the delegation off at the airport.

#### **Army Delegation Leaves on Visit to Austria**

OW2011082792 Beijing XINHUA in English 0727  
GMT 20 Nov 92

[Text] Beijing, November 20 (XINHUA)—A delegation of the General Logistics Department of the Chinese



People's Liberation Army (PLA), which is led by Lieutenant General Zhang Bin, deputy-director of the department, left here today for a goodwill visit to Austria.

The group is invited by General Dr. E. Corrieri, director of the General Logistics Department of the Austrian Federal Ministry of Defence.

#### **Shandong Delegation Returns From Austria**

*SK1711042492 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 16 Nov 92*

[Text] Satisfactorily winding up its friendly visit to Austria, the Chinese local friendship delegation, with Li Ligong, former chairman of the Shanxi Provincial CPC Committee, as head and Gao Changli, deputy secretary of the Shandong Provincial CPC Committee, as its deputy head, returned to Beijing on 14 November. They returned from a friendly visit to Austria at the invitation of the Austrian-Chinese Friendship Association in Austria.

While in Austria, the delegation visited six out of nine provinces, met with friendly figures of various Austrian circles, and garnered warm welcome from the Austrian people.

Gao Changli paid an official call upon the Austrian minister of health and contacted the vice president of the Austrian medical insurance company to discuss strengthening medical and health cooperation between the two sides in the activity for commemorating Dr. (Luo Shente). The two sides reached initial agreements on some suggestions of intention. Comrade Gao Changli and other members of the delegation also visited the Austrian Steel Industry Federation, the (Spyer) motor company, and other enterprises, to learn about the economic and technological cooperation situation between Shandong and these enterprises.

#### **Trade Volume With Denmark Increases 14.7 Percent**

*OW1811144992 Beijing XINHUA in English 1446 GMT 18 Nov 92*

[Text] Beijing, November 18 (XINHUA)—China's trade with Denmark has developed fast this year, with the total amount of import and export in the January-September period reaching 200 million U.S. dollars, an increase of 14.7 percent over the same period last year.

According to statistics from China's Administration of Customs, the amount of imports totalled 91 million U.S. dollars, showing an increase of 46.6 percent, [punctuation as received]

Denmark is now ranked 8th among the European Community countries in terms of total trade with China.

An official with the State Administration of Customs said Sino-Denmark trade this year has overcome the

state of stagnation it experienced over the last few years, and noted that a favorable trend has developed in the trade between the two countries.

From January to September this year, the volume of organic chemicals, garments and textile goods exported to Denmark by China had all reached above 5 million U.S. dollars.

The main varieties of commodities imported from Denmark have also expanded from only a few several years ago to a dozen this year with their specific import amount reaching over 1 million U.S. dollars.

The amount of such import commodities as cereals, chemical fertilizers, leather products, boilers, meters, machinery spare parts and dye-stuff have all exceeded 5 million U.S. dollars.

### **East Europe**

#### **Wan Li Sends Wreath on Dubcek's Death**

*OW1911132292 Beijing Central People's Radio Network in Mandarin 1700 GMT 15 Nov 92*

[From the "International News and Current Events" program]

[Excerpts] On 14 November, thousands of people went to the Bratislava National Theater in deep grief to pay their last tributes to the remains of Dubcek, a noted statesman and former chairman of the Federal Assembly of Czechoslovakia. [passage omitted]

Wan Li, chairman of the National People's Congress Standing Committee, sent a wreath.

### **Latin America & Caribbean**

#### **New Ambassador to Barbados Presents Credentials**

*OW2011082592 Beijing XINHUA Domestic Service in Chinese 0425 GMT 18 Nov 92*

[By reporter Wang Kui (3769 5525)]

[Text] Bridgetown, 17 Nov (XINHUA)—Jiang Chengzong [3068 2052 1350], the new Chinese Ambassador to Barbados, presented his credentials to Dame Nita Barrow, governor general of Barbados today.

Governor General Barrow had a friendly conversation with Ambassador Jiang. Ambassador Jiang relayed to Governor General Barrow President Yang Shangkun's regards and his appreciation for her efforts to strengthen the development of friendly relations between the two countries. Barrow spoke highly of the overall development of friendly relations between the two countries during the past few years. She said: Both Barbados and

China are developing countries, facing formidable tasks in developing their economies and improving the people's lives. She hoped that the two countries would continue to strengthen cooperation in the economic and technological fields, and exchanges in the political and

cultural arenas. She asked Ambassador Jiang to relay her respects and regards to President Yang.

Ambassador Jiang Chengzong arrived in Barbados on 11 November.

**Political & Social****Former Guangdong Governor Rejects Beijing Job***HK2011031592 Hong Kong THE STANDARD in English 20 Nov 92 p 6*

[Report by S. L. Law]

[Excerpt] Former Guangdong governor Ye Xuanping has repeatedly refused an offer by the party central committee to head the party's United Front Work Department, according to Chinese sources.

They said he wanted to avoid being stationed in Beijing because it would undermine the influence he had in his Guangdong province power-base.

The sources said the department head, Ding Guangen, who was also a member of the Politburo and the Secretariat, would be made responsible for the party's ideological work.

Mr Ding would replace ideological chief Li Ruihuan, a Politburo Standing Committee member expected to become chairman of the Chinese People's Political Consultative Conference (CPPCC).

There was once speculation that Mr Ye, a CPPCC vice-chairman and son of the late Marshal Ye Jianying, would become CPPCC chairman after the death of former CPPCC chairman Li Xiannian this year.

It is believed Beijing has always tried to undermine Mr Ye's influence in Guangdong province, China's richest, to stop the trend of regionalism.

Mr Ye is leading a delegation to Japan in his capacity as CPPCC vice-chairman.

It is not known if Mr Ye can continue to refuse taking up a new appointment as China's number two United Front Work official assisting Li Ruihuan.

Mr Li's appointment as CPPCC chairman is expected to be confirmed by the body's annual conference to be held in March.

The position as the head of the department is important because the job involves mobilising all sectors to work for the success of China's modernisation and unification.

If Mr Ye accepts the offer, he will have to stay in Beijing for much longer periods each year because he will then become head of a central party department, not a mere ceremonial position as in the case of the vice-chairman of the CPPCC. [passage omitted]

**Bo Yibo Congratulates Guangdong Commemorative Rally***OW2011141492 Beijing XINHUA Domestic Service in Chinese 1602 GMT 18 Nov 92*

[By reporter Zhang Yiwen (1728 5125 2429) and NANFANG RIBAO reporter Lin Jiansheng (2651 0256 3932)]

[Text] Shanwei, Guangdong, 18 Nov (XINHUA)—A grand rally was held today at Hongchang in Haifeng County, Shanwei to ceremoniously commemorate the 65th anniversary of the establishment of the first soviet regime in China—the Haifeng-Lufeng Soviet Regime.

Shanwei Mayor Lin Liangxiao officiated at the rally. Peng Yuxian, secretary of the city party committee, delivered a speech. Xie Fei, member of the CPC Central Committee Political Bureau and secretary of the Guangdong provincial party committee, and Bo Yibo sent congratulatory messages. Veteran comrades who attended and addressed the rally included General Xiao Ke; Guo Rongchang, deputy secretary of the Guangdong provincial party committee; and Chen Hong, vice minister of civil affairs.

In 1927, the people of Haifeng and Lufeng staged three armed insurrections to seize political power under the leadership of Peng Pai, who spearheaded the peasant movement of our party in its early years. They established the Haifeng-Lufeng Soviet Regime, thus adding an illustrious chapter to the history of China's revolution.

**Zou Jiahua Attends Meeting on Education Work***OW2011075092 Beijing XINHUA Domestic Service in Chinese 1441 GMT 17 Nov 92*

[By RENMIN RIBAO reporter Bi Quanzhong (3968 0356 1813) and XINHUA reporter Zhao Wei (6392 5898)]

[Text] Beijing, 17 Nov (XINHUA)—Zou Jiahua, vice premier of the State Council, and State Councillors Li Tieying and Wang Bingqian this afternoon attended a discussion meeting together with representatives of participants in a national conference on the work of schools of higher learning. They pointed out that schools of higher learning should train more people to meet society's needs and that it is necessary to increase investment in education through various channels.

Zou Jiahua said: The development of education is a thing which concerns the country's overall situation. We should pay attention to raising the quality of the whole population. In putting more effort into education, we must first strengthen basic education. We must attach importance to doing a good job in popularizing nine-year compulsory education. Touching on higher education, Zou Jiahua pointed out: Society needs a large number of capable people, but the types of training required by society are also changing. Today, under the condition of developing a socialist market economy, the training



received by some of the people may not be suitable for the new situation; therefore, schools of higher learning should constantly study society's requirements, expand specialized training, and increase students' capability to meet the need. He pointed out the need to raise work efficiency and follow the road of tapping schools' potential in developing higher education. At present, our country has 1,075 regular universities, colleges, institutes, and schools at the college level; however, the average attendance is not up to par and so there is still great potential. We should improve the school system through reform, gradually break the past practice of a state monopoly over education and have schools tap their potential by fully utilizing their existing facilities. On the question of increasing educational investments and improving teachers' incomes, Zou Jiahua pointed out: The party and government are quite clear about this problem. The government will strive to appropriate more funds for this purpose, but funds should also be gathered through various channels instead of solely relying on the government. We should study how to gather funds through various channels under the new economic system and establish a benign cycle of investment and benefits. He said: The government is actively considering the question of raising intellectuals' incomes. Regarding this question, it is necessary to form a group to conduct a penetrating study and put forward feasible methods to solve this issue.

Wang Bingqian pointed out at the meeting: To implement the guidelines of Comrade Deng Xiaoping's talks and the 14th CPC National Congress and accelerate the pace of reform, opening up, and economic development, it will require a large number of trained people. It is hoped that schools of higher learning will train a large number of highly qualified people. At present, educational investment is still inadequate, and the situation limits the development of education. It is necessary to increase educational investment through various channels.

Participants in the discussion meeting also talked about reforming and developing higher education, funds for education, teachers' incomes, and other issues. More than a dozen representatives expressed their opinions at the discussion meeting, including Zhang Xiaowen, president of Qinghua University; Xie Lijuan, vice mayor of Shanghai; Wu Xijun, vice governor of Jiangsu; Shen Shituan, president of Beijing Aerospace University; Wu Yongshi, president of Tianjin University; and Han Bangyan, vice governor of Sichuan.

#### **CPC Secretariat Member Wen Jiabao Inspects Hunan**

OW2011121592 Beijing XINHUA Domestic Service in Chinese 1333 GMT 18 Nov 92

[Text] Changsha, 18 Nov (XINHUA)—Wen Jiabao, alternate member of the Political Bureau and member of the Secretariat of the CPC Central Committee recently stressed: In order to implement the guidelines of 14th CPC National Congress, it is necessary to insist on

according priority to the reinforcement of the agricultural infrastructure, truly safeguard and fire the peasants' enthusiasm, enhance the regulatory role of the market in the rural economy, and vigorously develop the rural productive forces.

Wen Jiabao inspected agricultural development and rural work in Hunan's Yiyang prefecture and Yueyang city from 9 to 18 November, and listened to the views of grass-roots cadres and masses on rural reform and development.

Wen Jiabao pointed out: For the national economy to move up another notch, agriculture must also do the same. We must expand wider and move deeper in agriculture. Agriculture, forestry, animal husbandry, sideline occupations, and fishery should be practiced together; cultivation, fish breeding, poultry raising, and processing should be combined; and the agricultural structure should be adjusted to meet market demands. We must rely on science and technology, and earnestly develop high-yield, high-quality, and high-efficiency agriculture. We must actively develop the township enterprises, and redouble efforts to build the agricultural infrastructure, including in production and circulation. In particular, we must firmly grasp the harnessing of rivers and lakes, and the construction of irrigation works.

Wen Jiabao noted: We must pay close attention to reforming the price of nonstaple produce, and the procurement and marketing system, adapt to changes in the relations between supply and demand, use the law of value to stimulate circulation, and establish a market structure with numerous channels and levels. In particular, we must earnestly develop the futures and the wholesale markets, and perfect the marketing and information service networks. We must change the operating mechanism of state-run departments dealing with agricultural and sideline products to enable them to play their role as the main outlets and to exercise their regulatory functions in storing and supplying grain and keeping prices down.

Wen Jiabao stressed: As the agricultural situation improves, it becomes more important for us to pay close attention to research, and to resolve the existing acute differences and real problems. We must not lower our guard. We must strengthen the party's leadership over rural work, staunchly uphold the party's basic line, resolutely implement the party's basic policies for rural areas, and firmly strengthen the position of agriculture as the foundation.

#### **Li Lanqing Reads Message at Construction Congress**

OW2011075182 Beijing XINHUA Domestic Service in Chinese 0940 GMT 19 Nov 92

[By reporter Sun Yong (1327 0516)]

[Text] Beijing, 19 Nov (XINHUA)—The Sixth National Congress of the China Democratic National Construction Association [CDNCA] opened this morning at the Great Hall of the People.

Sun Qimeng, executive chairman of the presidium of the Sixth CDNCA national congress, presided over the opening ceremony.

According to sources, the congress will hear and examine the reports of the fifth Central Committee and the Central Consultative Committee and approve the relevant resolutions; hear and examine the explanation on the draft amendments to the CDNCA Constitution, and approve the CDNCA Constitution; elect the new members of the Sixth Central Committee; and choose the Sixth Central Consultative Committee.

Li Lanqing, member of the Political Bureau of the CPC Central Committee, attended the congress and read the congratulatory message of the CPC Central Committee to the Sixth CDNCA National Congress. The message says: The CDNCA has a glorious tradition of patriotism and revolution, and is a close friend that cooperates on a long-term basis with the CPC. Since its founding, the CDNCA has actively led its members and all people concerned to struggle side by side with the CPC, stood together through thick and thin, been through a glorious career, and made important contributions toward China's revolution and construction. During the new historic era, the CDNCA has done a lot of useful work involving affairs of the country. Experience shows that the CDNCA has proven itself to be a long-tested close friend of our party.

The CPC Central Committee message points out: The 14th CPC National Congress held not long ago has defined the strategic plan for a period hereafter which is guided by Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics. Under the new situation, the united front remains an important magic weapon of our party. We will continue to perfect the system of multiparty cooperation and political consultations led by the CPC, perfect measures for democratic parties to take part in and to supervise government and political affairs, support the appointment of democratic parties and personages without party affiliation to leading positions in state organs, and further consolidate the alliance between our party and the democratic parties, as well as people with party affiliation. The CPC Central Committee wishes the Sixth CDNCA National Congress unity, encouragement, and victory, and new breakthroughs in its undertakings.

On behalf of the central committees of other fraternal parties and the All-China Federation of Industry and Commerce, Lei Jieqiong, chairman of the China Association for Promoting Democracy, greeted the opening of the Sixth CDNCA National Congress. In her congratulatory message, Lei Jieqiong said that she is very pleased with the important contributions made by CDNCA organizations at all levels and their members since the Fifth CDNCA National Congress toward government and political affairs, economic construction, reunification of the motherland, and consolidation of the patriotic united front. She expressed the hope that the CDNCA and the other parties, as well as the All-China

Federation of Industry and Commerce, will jointly make new contributions to speeding up the pace of reform, opening, and the modernization drive, guided by the guidelines of the 14th CPC National Congress.

On behalf of the fifth Central Committee, Sun Qimeng, executive chairman of the presidium of the Sixth CDNCA National Congress, delivered the work report entitled "Earnestly Implement the Guidelines of the 14th CPC National Congress and Strive to Break New Ground in CDNCA Undertakings." First of all, Sun Qimeng reviewed the main tasks since the Fifth CDNCA National Congress. They are: To break new ground by exerting its role in government affairs and in supervision; to forge a new step forward in building the two civilizations; and to sharply improve itself by enhancing the level of organization and awareness in the CDNCA and its members.

Sun Qimeng also spelled out several tasks the CDNCA should tackle henceforth: To play the role of a party participating in government and political affairs in the course of historic changes to establish a socialist market economy structure and to speed up the pace of economic reform; to promote socialist democracy by playing a more effective role in government and political affairs and in democratic supervision; to broaden horizons and unfold extensive activities to build the two civilizations; to contribute ideas and efforts for implementing the principle of "peaceful reunification, and one country, two systems"; to step up ideological work by focusing on education on the basic line; and to earnestly press ahead with organization work aimed at building an elite contingent of transcending cadres.

The session also heard an explanation by Feng Tiyun, executive chairman of the presidium of the Sixth CDNCA National Congress, on "Draft Amendments to the CDNCA Constitution."

Li Lanqing, Ni Zhifu, Gu Mu, and responsible persons of the central committees of other democratic parties and the All-China Federation of Industry and Commerce, as well as relevant departments, attended the opening ceremony and had a group photo taken with the 570 delegates to mark the occasion.

### **Zhi Gong Dang Holds Symposium on Development**

*OW2011041092 Beijing XINHUA in English 0208  
GMT 20 Nov 92*

[Text] Hefei, November 20 (XINHUA)—China Zhi Gong Dang (or Party for Public Interest) recently held a symposium in Huangshan city of Anhui Province on its role in promoting China's economic development.

Participants in the symposium, the first on the party's work in east China, held that members of the China Zhi Gong Dang must work hard to make great contributions to the country's economic construction, reform and opening to the outside world.

They believed that in line with the spirit of the recent 14th National Congress of the ruling Chinese Communist Party (CPC), China Zhi Gong Dang should first do a good job in participation in and discussion on government and political affairs, and in suggestion of ways and means for economic and social development.

Second, they should make the best use of trained personnel in the party to offer scientific and technological consultation services.

Third, they believed, it is important to further emancipate their minds and to directly participate in economic activities, which will not only benefit the state but also ease the party's own financial shortage.

Present at the symposium were more than 60 delegates of the China Zhi Gong Dang from east China's seven provinces, municipalities and autonomous regions and officials from the United Front Work Department of the CPC Central Committee and concerned departments of Anhui, Shandong and Zhejiang provinces.

#### **Official Calls For Commercialization of Newspapers**

HK2011102092 Beijing GONGREN RIBAO in Chinese  
17 Nov 92 p 1

[By reporter Meng Qingyong (1322 1987 3057): "Liang Heng, Director of the Newspaper Administrative Department of the State Press and Publications Administration, Points Out That Conditions Are Ripe for Newspapers To Go Commercial"]

[Text] Liang Heng, director of the Newspaper Administrative Department of the State Press and Publications Administration, recently called a forum, to which reporters from some newspapers in Beijing were invited. During the forum, Liang gave his view on the topic of "newspaper reform and administration under the conditions of the socialist market economy."

Liang Heng pointed out: Since reform and opening up, there have been profound changes in journalism in China. People can now see signs of prosperity: the total number of newspapers published in China has increased from 186 in 1978 to 1,755 today, and there have been great changes in newspapers' content, organization, and functions. The newspaper administrative structure and form have also undergone tremendous changes as the party committee's direct control of newspapers has been forsaken, the party leadership has been separated from newspaper management, and newspapers are now run according to the relevant laws. The newspaper operational mechanism has been transformed as well, and people have gradually come to appreciate the value of a newspaper's journalistic, cultural, and, in particular, commodity contributions, as separate from its political function. These changes have laid a foundation for the further development and prosperity of journalism.

Liang Heng emphasized: Given the condition of the socialist market economy, we can hardly carry on the past practice by which "newspapers are run with state funds, are all bought by the state, and all will survive, regardless of their quality." Newspapers must try to develop an administrative structure that suits the market economy. Liang maintained that conditions are now ripe for newspapers to go commercial in a systematic way. At present, newspaper administrators must keep abreast with the new circumstances and try to ensure that newspapers will do a better job of upholding the party's basic line and make greater contributions to the development and flourishing of the socialist market economy.

#### **Official Urges Controlling 'Serious' Drug Problem**

OW2011144292 Beijing XINHUA in English 1421  
GMT 20 Nov 92

[Text] Beijing, November 20 (XINHUA)—A senior Chinese public health official today urged the government here to strengthen its narcotics control and drug rehabilitation work.

Gu Yingqi, vice-minister of public health, told anti-drug officials that drug addiction in China is rather serious because of the growing routing of drugs through China by outside drug traffickers.

Speaking at a national conference on narcotics control which opened Thursday, Gu said that since the 1980s, drug abuse has emerged in southwestern China and spread in recent years from rural areas to cities and from border areas to inland.

He attributed the problem to international drug cartels in the Golden Triangle, which includes Myanmar [Burma], Laos and Thailand. The cartels use southwestern China's borders along the Golden Triangle as a channel to other countries or regions.

Most of China's drug abusers are young men who use opium. In a comprehensive survey on epidemic diseases of 5,000 people conducted in Xian, capital of Shaanxi Province, nearly 90 percent of local drug abusers were under the age of 25, said the official.

The vice-minister said heroin addiction is the most serious form of abuse in the border areas of southwest China's Yunnan Province, which borders on the Golden Triangle, while in some inland areas opium accounts for most illegal drug use.

The official urged the central government to improve laws and regulations on narcotics control and regulations of drug rehabilitation centers, calling for a ban on private ones.

He called for more special funds for drug rehabilitation and more research on drug addiction.

Gu also talked about the measures the public health ministry has taken in the past two years in research on drug rehabilitation.



A senior anti-drug official told the three-day conference Thursday that a record-breaking 4,696 of 5,452 drug traffickers arrested during the first nine months of this year were convicted, including 885 who were given the death sentence or suspended death sentences and life imprisonment.

## Military

### Army Paper 'Pen Talk' Column on 14th Congress

HK1911152192 Beijing JIEFANGJUN BAO in Chinese  
28 Oct 92 p 3

["Pen Talk on Study of 14th Party Congress Guidelines" column by Zhang Chuanjia (4545 0278 1367): "Key Is To Adhere Firmly to Economic Construction As the Center"; first paragraph is JIEFANGJUN BAO editor's note]

[Text] The report delivered by Comrade Jiang Zemin on behalf of the Central Committee at the 14th CPC National Congress is a programmatic document to guide the entire party, the entire Army, and the people of the entire country in advancing victoriously, because it provides a penetrating conclusion and exposition of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and outlines the objectives and tasks for future endeavors in reform and construction. To help the troops study this report and other important documents from the 14th party congress well and profoundly understand its spirit, this newspaper will initiate a column starting today entitled: "Pen Talk on Study of 14th Party Congress Guidelines," featuring articles on the study and understanding derived from this aspect. Everyone is encouraged to send in his or her manuscript. The envelope should be marked: "Pen Talk article."

In his report to the 14th party congress, Comrade Jiang Zemin pointed out: "To adhere firmly to the party's basic line, the key is to adhere firmly to economic construction as the center." This important thesis not only further expounded the spiritual substance of the party's basic line but also pointed out the direction for the entire party and the people of the entire country to carry out the party's basic line. An earnest study and understanding of this important thesis is of major and far-reaching significance in our efforts to carry out the party's basic line more conscientiously and more vigorously, to achieve a new victory in the cause of socialism with Chinese characteristics.

**Looking at the "Principal Contradictions," "Fundamental Tasks," and "Development Strategy" Established in the Party's Basic Line, Adherence to Economic Construction As the Center Is the Essence of This Basic Line**

The party's basic line in the initial stage of socialism is: "Lead and unite the people of all nationalities around

the country in struggling to build China into a prosperous, democratic, and civilized modern socialist state by means of adherence to economic construction as the center, adherence to the four cardinal principles as well as reform and opening up, self-reliance and independence, and hard work." In particular, economic construction occupies a central and dominant position and is the starting and finishing point for all other undertakings; hence, it is the essence of the party's basic line. This becomes clearer following an analysis of the foundation establishing this basic line.

A fundamental basis of the party's basic line is that the principal contradiction in our society at the present stage is the one between the people's growing material and cultural needs and backward social production. The principal contradiction in society constitutes the most basic national condition as its presence and development regulates and restricts the presence and development of all other contradictions. The manner in which the principal social contradiction is resolved often has a decisive effect and impact on the progress of history. Fundamentally speaking, the correctness or otherwise of the party's basic line at a given time is directly related to the correctness or otherwise of its assessment of the principal social contradictions. After the Third Plenary Session of the 11th CPC Central Committee, our party analyzed the prevailing realities in China by seeking truth from facts, making a scientific assessment of the principal social contradictions at the present stage and thereby providing the main basis for the establishment of the party's basic line of "one center, two basic points." Grasping the principal contradictions of China's society at the present stage also means grasping the "main switch" related to the current problems in China. A vigorous effort to resolve this principal social contradiction represents an overwhelmingly supreme interest in contemporary China as well as the core problem which has to be addressed by the party's basic line, and the "main key" to the resolution of this principal social contradiction lies in gathering all resources to improve the national economy, which in turn defines adherence to economic construction as the center as the most essential demand dictated by the party's basic line.

Another important basis of the party's basic line is that the fundamental task of socialism is to develop the forces of production vigorously. According to Marxism's materialist concept of history, the forces of production are the ultimate forces which decide the progress of society. If socialism is to replace capitalism, it will eventually have to achieve this by creating a labor productivity that is higher than that of capitalism. Under the present circumstances, whether or not the socialist system can continue to be consolidated, the superiority of socialism fully displayed, and the appeal of socialism increasingly bolstered—all these will, in the final analysis, be determined by the development of the productive forces. While it is true that efforts from all sides will be needed to defeat the hostile forces' plot of "peaceful evolution," the key still lies in rapidly boosting the productive forces to give

socialism a solid material foundation. Comrade Deng Xiaoping has repeatedly pointed out: The most fundamental task in the socialist phase is to develop the productive forces. To a socialist country like China which has a fairly backward economy and culture, the task of developing productive forces is even more pressing. Our party's basic line of economic construction as the center was established precisely to meet this fundamental task of developing the productive forces. The concrete features of the party's basic line are very rich but summing them up in one sentence, it is: Adhere to economic construction as the center and carry out this fundamental task of developing the productive forces.

The establishment of the party's basic line is also closely linked to our country's development strategy for modernization. The development strategy related to the modernization of China is described as a "three-step advance": Double the GNP and basically resolve the problem of adequate food and clothing from the early 1980's to the late 1980's; quadruple the GNP by the end of this century to enable China to become a society of modest comfort; and build China into a moderately developed country by the middle of the next century. The realization of this development strategy represents the dream of all people with lofty ideals in modern China and it is also the solemn mission of the contemporary Chinese Communists. The basic guiding ideology behind this 100-year development strategy lies in stepping up the pace of economic construction to enable the national economy to rise to a new level every few years. When Comrade Deng Xiaoping stressed that the party's basic line should remain unchanged for 100 years, he no doubt considered the party's basic line in conjunction with the 100-year development strategy for China's modernization. It is natural that if the party's basic line is to lead to the realization of this development strategy, it will have to adhere to economic construction as the center. In case of deviation from this center, then the basic line will exist in name only, while the 100-year development strategy for our country's modernization will be left unfinished.

**Viewing Relationship Between "One Center" and "Two Basic Points" of the Party's Basic Line, Adherence to Economic Construction As the Center Is Complete and Accurate Implementation of This Basic Line's Premise**

The party's basic line involves one center and not two centers; two basic points and not one basic point. This has gradually become a consensus within the entire party and the people of the entire country. To implement the party's basic line, it is without doubt necessary to look at the "one center, two basic points" as a complete body and not sacrifice one for the other. However, the relationship between the "one center" and the "two basic points" is not the same as the equal relationships in an "equal triangle." In the scientific system involving the party's basic line, the "one center" is the main deciding factor, while the "two basic points" are carried out around the central task of economic construction. Therefore, if we are to carry out the party's basic line completely and accurately, we need to not only take good

control of the relationship between the "two basic points" but, in particular, take good control of the relationship between the "one center" and the "two basic points"; in handling effectively the relationship between the "one center" and the "two basic points," it is particularly necessary to hold firmly to the "one center." Adherence to economic construction as the center is a complete and accurate implementation of the premise of the party's basic line.

First, the "two basic points" are intended to ensure the realization of the "one center." In proposing and insisting on the "two basic points," the fundamental objective of our party is to ensure economic construction as the center so that our country can develop faster and more satisfactorily. It was Comrade Xiaoping who was the first to speak about the "two basic points" and to do so the most number of times, but he never stressed the four cardinal principles and the reform and opening up in isolation. Instead, he always insisted on proceeding from this center, which is economic construction, to underline the necessity and importance of adhering to the "two basic points." In upholding the four cardinal principles, which forms the basis of our nation-building endeavors, we seek to provide economic construction with strong organizational leadership, stable social environment, correct development direction, and powerful spiritual drive; in upholding reform and opening up as the way to build a strong country, we seek to create vibrant economic and political systems which are compatible with the development of productive forces and to speed up the pace of economic construction by absorbing and using all advanced management and operational methods which reflect the rules of modern production in all countries of the world, including those from the developed capitalist countries. With this kind of relationship between the "one center" and the "two basic points," it follows that only when economic construction as the center is upheld can it provide "ample scope" for the "two basic points" "to display their abilities" and for them to effectively exert an important role; it also follows that the important role and impact of the "two basic points" will be fully displayed and effected only when they consistently provide strong guidance and guarantee to the "one center."

Second, the operation of the "two basic points" is regulated by the "one center." The operation of the four cardinal principles and the reform and opening up has to comply with the needs of the central task of economic construction. Take, for instance, adherence to the four cardinal principles: What we should uphold in terms of concrete features, including the questions of what and how to strengthen and improve—all these will have to be determined by the demands of the central task of economic construction. Similarly, in upholding reform and opening up, what and how to carry out reform internally and what and how to "absorb" from outside should also be determined by the demands of the central task of economic construction. Without question, the operation of the "two basic points" also has its own specific laws

but these specific laws are premised by the acceptance of and submission to the standards of the "one center." Upholding the objective demands of the "one center" remains consistent with the general path in the operation of the "two basic points." In carrying out the party's basic line, it is necessary to use the question of whether something is beneficial to the adherence of economic construction as the center and the vigorous promotion of social productive forces as the yardstick to determine whether the operation of the "two basic points" is normal, accurate, and forceful. By proceeding from this yardstick, any operation which is normal, accurate, and forceful should be carried on; otherwise, it should be modified and promptly bolstered.

Next, the "two basic points" achieves a high degree of unity through the "one center." A very important aspect involved in the complete and accurate implementation of the party's basic line is the effective unity of the "two basic points," to prevent and overcome a tendency to be "firm in carrying out reform and opening up but soft in cracking down on crime." In fact, the unity of the "two basic points" not only involves the relationship between the two, but also involves the relationship between the two and the "one center." We often speak of the interrelationship between the "two basic points," but, actually, the "one center" plays a crucial role in converging and harmonizing this interrelationship and serves as their common starting and finishing point. In actual work, if there is deviation from this central task of economic construction, then it will not be possible for the "two basic points" to have a "common language" and they might be split up. Only by maintaining the position of adhering to the "one center, two basic points" can we correctly understand and take control of the relationship between the "two basic points" and enable them to obtain more "common language" and achieve a unity of high standards and quality.

**Viewing Integrated Objective of "Prosperity, Democracy, and Civilization" As Laid Down by the Party's Basic Line, Adherence to Economic Construction As the Center Is Key to Final Transformation of This Basic Line Into Reality**

Building a "prosperous, democratic, and civilized modern socialist state" is an important feature of the party's basic line and the objective of the struggles of the entire party and of the people of the entire country. Focus on the realization of this integrated objective of "prosperity, democracy, and civilization" is the goal of the party's basic line. To achieve this objective, the key also lies in firm adherence to economic construction as the center.

The "prosperity" referred to here pertains not only to the prosperity in terms of the material life of the people but also to a great comprehensive national strength founded on economic might. The direct relationship between the former and the economy is self-evident. For the latter, comprehensive national strength is made up of various factors, including economic, political, military, scientific

and technological, and social cohesive powers, with economic power as the foundation and the most basic element in the comprehensive national strength because it influences and decides all other elements. Without a definite economic might serving as foundation, all the other "powers" cannot be bolstered, much less strengthened. Looking at the world today, all economically strong countries also boast great comprehensive national strength (except for a few countries which prospered on the strength of their rich natural resources); all economically weak countries also have poor comprehensive national strength. Whether a country has a position on the international stage or not is determined chiefly by its comprehensive national strength and, in the final analysis, by its economic might. The grim reality tells us that prosperity or poverty, strength or weakness, all these will eventually be "decided" by economic might. The objective of "prosperity" laid down for us by the party's basic line has as its precondition the realization of a correspondingly strong economic might.

The "democracy" referred to here pertains to socialist democratic politics, compatible with a fairly high level of economic and cultural development. Democracy involves not only a question of essence but also of the level of achievement. The level of achievement of democracy is restricted by the level of economic and cultural development. As Marx stated: "Power should never exceed the economic structure of a society nor the society's cultural development, which is, in turn, restricted by the economic structure." Given that the essence of democracy has already been established, the level of economic and cultural development will also determine the possible level in the concrete realization of democracy. In China, the level of the concrete realization of socialist democracy—which illustrates the essence of the people as the masters—remains less than satisfactory and the fundamental reason for this lies in the fact that the level of economic and cultural development in China remains quite low. In stressing that "democracy can only be developed gradually," Comrade Xiaoping referred to the law on the development of democracy as well as to the fact that the development of democracy is restricted by the level of economic and cultural development. While the process of developing socialist democracy involves democratic political reform, it is also necessary to "act according to one's capabilities," based on the level of economic and cultural development, and refrain from artificially-induced "improvements." The goal of "democracy" laid down for us by the party's basic line is premised on a considerably high level of economic and cultural development (and, in the final analysis, the economic development).

The "civilization" referred to here pertains to a socialist spiritual civilization which is compatible with a fairly high level of material civilization. That the material determines the spiritual is a basic principle in the materialist conception of history. In human society, spiritual civilization, as the spiritual product and outcome of man's understanding and transformation of the world, is



always founded on material civilization. Since time immemorial, a given form of spiritual civilization has always been built and developed on the basis of a given form of material civilization. Of course, the spiritual civilization also develops on its own, relatively speaking, and hence the viewpoint that spiritual civilization will automatically be boosted once the building of material civilization is carried out satisfactorily is one-sided. However, as a rule, spiritual civilization will eventually have to rely on material civilization to provide it with an objective premise. In fact, in the socialist spiritual civilization that we are building today, it is not only the building of culture which is directly restricted by the growth of material civilization because the building of ideas and moral values is similarly constricted. For instance, the building of material civilization and the display of the superiority of socialism at the present stage exerts an influence which cannot be underestimated on the people's convictions, concept of being masters, faith in the nation, and sense of pride. The desire to build a high degree of socialist spiritual civilization without vigorously developing material civilization is but an illusion. The objective of "civilization" as laid down for us by the party's basic line is basically premised on material civilization, that is, the tremendous development of the economy.

Since realization of the lofty goal of "prosperity, democracy, and civilization" as an integrated body is premised on a comparative level of economic development, then it is very obvious that adherence to economic construction as the center and continuing efforts to speed up the pace of economic growth are of utmost importance to the attempt to transform the party's basic line ultimately into reality. In the process of building a "prosperous, democratic, and civilized modern socialist state," there are a great many things we have to do. From productive forces to productive relations, from economic foundation to building the superstructure, it is necessary to grasp all aspects of work in order to produce creations, breakthroughs, and accomplishments. However, in all these undertakings, economic construction is always the center and this central task should be grasped firmly at all times. Otherside, the lofty objective comprising the integrated body will not be achieved. Naturally, in adhering to the central task of economic construction, the center does not absolutely replace all others. It is necessary to be adept in stressing "carrying out reform and opening up on the one hand and cracking down on crime on the other" by revolving around the "one center" and also adept in insinuating the "one center" into all other aspects and undertakings. Whether in cracking down on economic crimes or punishing other forms of corruption, stressing ideological and political education or stressing the building of democracy and legal system, and boosting the building of the party or that of the People's Army, it is necessary to carry out, embody, and safeguard this center without exception. Only by so doing is it possible to implement the party's

basic line in the initial stage of socialism and turn the lofty goal of "prosperity, democracy, and civilization" into a beautiful reality.

Based on the aforementioned analysis, it is evident that adherence to economic construction as the center constitutes the core and the key of the party's basic line. In the early 1980's, speaking once on economic construction, Comrade Deng Xiaoping made an inspiring thesis: "It is necessary to make a resolution now and, unless a large-scale war breaks out, it is imperative to carry on with this undertaking consistently, with everything revolving around this undertaking and dismissing all interventions. Even if a large-scale war should break out, it is necessary to continue with the undertaking or start it all over again once the fighting is over. Our entire party and entire people should foster this high aspiration firmly and cling to it tenaciously, be "stubborn," and not waver." Since the Third Plenary Session of the 11th CPC Central Committee, our party has adhered firmly to the basic line and, in the final analysis, it has adhered firmly to the central task of economic construction.

#### **Regulations on Army Logistics Management**

HK1811103092 Beijing JIEFANGJUN BAO in Chinese  
11 Oct 92 p 3

[Report: "People's Liberation Army Regulations on Grass-Roots Logistics Management"]

#### **[Text] Contents**

1. General Principles
2. Organization and Leadership of Logistics Work in Grass-Roots Units
3. Logistics Combat Readiness and Training
4. Financial Management
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6. Sanitary Management
7. Management of Ships and Vehicles
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#### **Chapter 1: General Principles**

Article 1. These regulations are formulated with a view to improving the logistics management of the Army, promoting the overall construction of the grass-roots, and enhancing the Army's combat effectiveness.

Article 2. Grass-roots logistics management in these regulations refers to logistics management of companies, naval vessels, flying brigades, stations, storehouses, teams, offices, and other units which are natural elements and organize mess arrangements independently. The contents are as follows:

1. The management of logistics, equipment, and goods and materials, such as funds, army provisions, bedding, and clothes;
2. The management of barracks, tools, facilities, and equipment;
3. The organization of mess arrangements, after-hours production, and sanitary management;
4. Organizing technology applied to vehicles, boats and ships of land (air) forces (boats and ships hereinafter), as well as service management;
5. Selection of logistics personnel and construction of grass-roots logistics contingents;
6. Organizing logistical combat readiness, training, and education in logistics management;
7. Other work related to grass-roots logistics management.

Article 3. These regulations are applicable to all grass-roots Army units. They are the basis for organizing and implementing grass-roots logistics management.

Article 4. Grass-roots logistics management should adhere to the principles of integrating preparations for war and for peace to ensure protection, of relying on one's own efforts in a hardworking and thrifty manner, of suiting measures to local conditions and paying attention to actual effects, and of working according to the rules to which officers and men are subject.

Article 5. The General Logistics Department is the organ responsible for the whole Army's grass-roots logistics work. Logistics organs at various levels are organs in charge of grass-roots logistics work in their own supply systems.

#### **Chapter 2: Organization and Leadership of Logistics Work in Grass-Roots Units**

Article 6. Grass-roots logistics work is carried out under the leadership of the party branch (party committee) and the senior officer at one's own level. Grass-roots units should assign an officer at their own levels to supervise logistics work, give full play to the role of economic committees, analyze the situation at regular intervals, coordinate and arrange work, study measures to strengthen and improve logistics construction, and solve existing problems promptly.

Article 7. Officers assigned to supervise grass-roots logistics work bear a direct responsibility for leading logistics work. They should comprehend grass-roots logistics criteria and systems, be familiar with the organizational procedures of logistics work, lend support to the work of logistics personnel, grasp the situation in logistics work, and organize and urge subordinates to complete various logistical tasks.

Article 8. Under the leadership of senior officers and officers in charge of logistical work in their own units,

quartermasters should concretely organize and implement grass-roots logistics management. Quartermasters should be familiar with the logistics criteria and system and with financial and economic disciplines; keeping and auditing accounts; making mess arrangements; organizing after-hours production; applying for and extending funds, bedding, and clothes; and managing property, facilities, equipment, and goods and materials.

Quartermasters should receive professional or collective training before they take up the post, and a relatively stable group of quartermasters should be maintained after they take up their posts. Quartermasters who are party members but not members of party branch committees should sit in on the concerned branch's committee meetings.

For troops stationed in centralized locations, a regular collective working system of quartermasters is being implemented. Organized by finance and military supply departments, the examination of funds and army provisions, studies, and business exchanges are conducted.

Article 9. Grass-roots units should work according to the establishment to select outstanding soldiers to act as catering officers and leaders of kitchen staff; to select cooks, medical orderlies, and drivers; and to maintain a relatively stable group of personnel.

Logistics personnel of various kinds should love their own work, conscientiously perform their duties, skillfully master professional techniques, and vigorously complete various tasks.

Article 10. Economic committees of grass-roots units should clearly define divisions of duties, vigorously play a part in economic management, carry out economic supervision, and ensure economic democracy. It is necessary to insist on drawing up menus every week; examining public accounts; and checking stocks, goods, materials available, and the consumption situation at regular intervals.

#### **Chapter 3: Logistics Combat Readiness and Training**

Article 11. Grass-roots units should persevere with constant education in combat readiness and conscientiously implement the system, regulations, and requirements of logistical combat readiness.

Article 12. Grass-roots units should work according to the required quantity and quality to store and take care of goods and materials for logistical combat readiness and to implement the policy of "dividing goods and materials into three categories and fixing four areas" (the three categories are: goods and materials being taken along, goods and materials being transported, and goods and materials remaining where they are; the four areas to be fixed are people, goods, vehicles, and location) with a view to perfecting quality and getting a full and complementary set of goods and materials, which have been adjusted and renewed quickly.

Article 13. Grass-roots units' logistics training should proceed in accordance with military training regulations, training blueprints, and annual training tasks given by the higher authorities; should be in line with grass-roots characteristics and professional requirements; and should take various forms to organize and implement so ensuring that personnel, timing, contents, and quality requirements are fulfilled.

Article 14. Logistics training should be scientifically planned with focal points by stressing the main points, adhering to the principle of teaching people in accordance with their aptitude, and carrying out on-the-job training for soldiers. Soldiers should undergo training on common subjects, professional techniques (services), and tactics with a view to grasping professional knowledge and techniques which are essential to their own duties; officers should study military theory and receive training in tactics (services) and professional techniques at their level with a view to improving their aptitude for and professional standards of command, management, and organizing training with a view to creating the overall capability to fulfill combat (protection) missions.

Article 15. As far as the training of logistics elements and personnel is concerned, appraisals should be organized in strict accordance with the criteria for assessing training results. Those who have failed in appraisals should undergo training all over again, receive more training, and take supplementary examinations.

#### Chapter 4: Financial Management

Article 16. Grass-roots units should implement financial plans strictly and work according to systems and regulations when they apply for funds, examine and submit expense accounts, audit funds, manage cash, make accounts public, hand over financial work, and take checks receivable in kind before acceptance. It is necessary to have a good implementation of these criteria and systems; plan good utilization of funds; carry forward economic democracy; and get rid of corruption, embezzlement, fraudulent applications and claims, erroneous accounts, the illicit borrowing of public funds, and extravagant expenses.

Article 17. Grass-roots units should strengthen leadership in financial work. Funds, revenue, and expenditure should be subject to unified planning. Reasonable arrangement should be made to have careful calculations and strict budgeting, to strike a balance of revenue and expenditure, and to achieve a slight surplus. All funds and expenses are to be examined and approved by officers who are assigned to supervise logistics work. Expenses over 100 yuan, with the exception of board expenses, should be discussed and decided by party branches (party committees).

Article 18. Grass-roots units should apply for and extend funds promptly. Salaries, subsidies, and wages should be granted in full to individuals by the fifth day of every month.

Logistics financial departments should ensure the prompt supply of funds to grass-roots units. Any breaks in supply, insufficient supplies, and supply omissions are forbidden. Efforts should be made to ensure that grass-roots units have the right to use surplus funds.

Article 19. Grass-roots units must abide by financial discipline. They are not allowed to infringe on soldiers' interests, employ trickery, make fraudulent applications and claims, use public funds or property to treat or give others presents, be in arrears with board expenses, expand the scope of board expenses, open other accounts or a "small exchequer," embezzle public funds or property, purchase monopolized commodities without authorization, lease or lend bank accounts and illegally lend public funds to others, or change the unified financial criteria and system without authorization.

Article 20. Grass-roots units' after-hours production earnings and revenue and expenditure on miscellaneous items must be brought into financial management. Apart from being retained for reinvestment in production, after-hours production earnings should be used to subsidize the collective mess and to improve material and cultural lives.

#### Chapter 5: Management of the Mess and After-Hours Production

Article 21. Grass-roots units should arrange the mess in a scientific manner, pay attention to nutrition and food taste, regulate the variety of meals, and ensure that officers and men eat or basically eat a fixed quantity of food which is up to standard. Efforts should be made to arrange proper diets for personnel on duty and noneffectives and to respect the dietetic habits of minority nationality officers and men.

Each grass-roots unit should have a cook whose standard matches a chef's.

Article 22. Grass-roots units should insist on drawing up menus, publicizing mess accounts, registering each day's consumption of provisions, working out a duty roster of cooks and help in the kitchen, publicizing a dietetic hygiene system, and implementing a system where each mess item is counted separately.

In the mess hall, a system of mess management, the duties of personnel who oversee kitchen staff, the criteria of fixing food quantity, and the stipulations for appraising advanced mess halls should be published, and an democratic economic bulletin board should be set up, which should show menus, criteria for fixing food quality, a published list of messing accounts, a book listing comments of personnel who have dined in the mess hall, a registry detailing payments and reimbursements of board expenses, and a registry listing materials which have been checked before acceptance and which have been consumed.

Article 23. Generally speaking, officers are not allowed to purchase food from grass-roots mess units. Those



whose relationship of supply and demand is in grass-roots units must pay in accordance with selling prices when they really need to buy it.

Personnel dining in grass-roots mess units are not allowed to withdraw from a mess, except when they have gone to other places because of official duties, have gone to visit their relatives, are hospitalized, or have been transferred to other places. Withdrawal from a mess should be implemented in accordance with the relevant regulations.

Article 24. Regiments (brigades) in favorable conditions should establish nonstaple foodstuff production bases and living service centers. Guarantees and management of those messes which integrate regiments (brigades) with grass-roots units should be implemented.

In general, nonstaple foodstuffs production bases should have poultry and stock farms, fishponds, and feed-processing plants to provide sideline foodstuffs, fine young poultry (stock) and seedlings, and guide grass-roots units to engage in after-hours production.

Living service centers should act in line with their conditions to open such service projects as the purchasing and processing of staple and nonstaple foodstuffs, hog slaughtering, and cold storage. They should implement unified planning, processing, supply, and accounting, and be responsible for guiding the mess management of grass-roots units. Living service centers are not allowed to contract projects and should maintain the quality of foodstuffs, which are supplied to grass-roots units and Army personnel, and the selling price should be lower than the market price in local areas. Grass-roots units are not allowed to buy from outside those staple and nonstaple foodstuffs which can be supplied by living service centers.

As far as living service centers are concerned, a system where quartermasters work shifts in turn and jointly revise menus with grass-roots units should be implemented.

Article 25. Grass-roots units should vigorously organize and develop after-hours production with pig and vegetable raising at the core and should develop processing, fishing, gathering, and other small-scale sideline production, such as growing plants and breeding aquatics, and should insist on making common dishes by themselves. Troops from the north should develop, in light of their conditions, large plastic sheds and greenhouse-cultivation, and should do well in storing vegetables for winter.

Grass-roots units should handle their own after-hours production, have unified plans and arrangements, vigorously employ science and technology and advanced methods, and reduce production costs. They are not allowed to contract projects from outside.

Article 26. Grass-roots units should make careful calculations and budget strictly, plan and economize on grain consumption, spend money in messes in a reasonable

way, and keep one to two months of surplus foodstuffs and mess expenses (including production subsidies) accumulated over the years. As far as surplus foodstuffs and mess expenses are concerned, grass-roots units should arrange them in a reasonable way for improving messes but not for any other use.

The application of coal-efficient stoves (utensils) should be promoted and efforts should be made to improve coal-burning technology and to economize on coal consumption for cooking.

Article 27. Grass-roots units should implement standardized mess management, assess mess management every quarter, and promptly improve it if problems are found.

#### Chapter 6: Sanitary Management

Article 28. Grass-roots units should carry out health education in accordance with the regulations, preferably with an attendance of over 90 percent, to enable officers and men to cultivate good personal hygiene habits. Efforts should be made to discourage officers and men from smoking and to urge them to refrain from smoking in no-smoking areas.

Article 29. Duties on maintaining indoor and outdoor sanitation should be shared among the officers and men. Cleaning should be done every day, whereas general cleaning and sanitary checks should be carried out every week.

It is necessary to keep indoor areas clean. There should be fresh air and no cobwebs or dust. Efforts should be promptly made to eliminate mosquitoes, flies, rats, bedbugs, and cockroaches.

It is necessary to keep roads smooth and ditches unblocked so that no sewage is accumulated and there will not be breeding grounds for flies and mosquitoes. Airtight facilities for collecting garbage should be installed at fixed sites, whereas efforts should be made to ensure that garbage is not dumped everywhere, is not exposed, and that it will be cleaned up at regular intervals.

It is necessary to ensure that lavatories and livestock pens are in line with sanitary requirements. They should be flushed, scrubbed, and cleaned, whereas checks should be conducted at regular intervals. Moreover, stool disposal should be done in a way which will not do any harm.

Article 30. It is necessary to keep mess halls clean, and they should have anti-fly measures and hand basins. Kitchens which are newly built or have been rebuilt should conform to the requirement of the cooking process, that is, food must be fresh before being fully cooked. Kitchen utensils must be neatly placed in fixed positions and washed. Tableware must be washed with running water and sterilized at regular intervals. Food must be cooked in line with hygiene requirements, and raw and cooked food must be handled with different

knives and on different blocks and be stored separately. Meals left over must be taken care of properly and fully reheated before they are eaten. Pots and pans must be labeled and covered. Personnel dining in mess halls should eat their own share of the food separately or use public chopsticks and ladles.

Kitchen staff should have at least two examinations every year, and personnel found to suffer from infectious diseases and skin diseases must be moved immediately. Kitchen staff must wear overalls and hats when working.

Article 31. Grass-roots units should act according to regulations to organize officers and men to undergo examinations and inoculation. Examinations: Officers undergo these once a year, whereas soldiers undergo them twice a year, and they have to fill in health certificates. Vaccination rates: On the part of officers and soldiers with more than two years of service, the rate should not be lower than 95 percent, whereas it should be 100 percent for recruits. For personnel coming from areas with epidemic diseases, arrangement should be made to put them under quarantine, and those found to suffer infectious diseases must receive isolation treatment swiftly and their cases should be reported to the senior authorities promptly. It is necessary to vigorously prevent infectious diseases and efforts should be made to ensure that deadly and other infectious disease will not break out and spread and that there will be no food poisoning.

Grass-roots units should integrate with reality to prevent and reduce training injuries, and do well in such work as heatstroke and frostbite prevention.

Article 32. Quarantine of animals for military use must be organized and implemented in accordance with the regulations. Efforts should be made to vigorously prevent army horses from contracting epidemic diseases, to vigorously cure them if they do, to ensure that no deadly or other harmful diseases break out, and to reduce the mortality. Stables, feeding troughs, and exercise areas should be kept clean. Efforts should be made to prevent personnel and livestock from suffering diseases.

#### Chapter 7: Management of Ships and Vehicles

Article 33. Grass-roots units provided with boats, ships, and vehicles must strictly enforce management regulations for boats, ships, and vehicles, while technical conditions of boats, ships, and vehicles should be up to the set standards.

Article 34. Grass-roots units should properly and reasonably use their boats, ships, and vehicles in accordance with designated uses and technical functions. They are not allowed to use vehicles in any way that allows the set number of vehicles available and the set mileage to be exceeded. They are also not allowed to go beyond loading and wind-resistance capacities when using boats and ships.

Vehicles which will not be used for two months or so should be covered and held in accordance with regulations. For new vehicles and vehicles which have undergone thorough overhauls, it is necessary to drive them first before they are covered and held.

Article 35. Grass-roots units should work according to regulations to complete daily, regular, and seasonal maintenance and repairs on vehicles. Maintenance and repairs should also be done when vehicles are driven for the first time, and when they are going to be covered and laid up. It is necessary to do well in regular and special maintenance of boats and ships. Regarding the overhaul of vehicles, each squad should do it every week, each platoon every fortnight, and each company every month.

The vehicle-marshalling system should be upheld and should be held every week and last not less than half a day. Attendance should be over 80 percent.

It is necessary to strictly implement the ship and vehicle registration and statistical systems. It is necessary to fill in registration forms promptly and accurately and to have full information, complete technical records, and accurate statistics.

Article 36. Grass-roots units should constantly carry out education programs on traffic laws and regulations and on traffic safety and should take safety measures in light of changes in tasks, seasons, and weather to prevent the occurrence of accidents and to ensure the travel safety of ships and vehicles. Vouchers for vehicle use must be strictly administered, and the leasing, lending, and misappropriation of these vouchers is prohibited.

Article 37. Obsolete ship and vehicular equipment should be handed in and new equipment collected. Strict management of equipment classification accounts, bicycle equipment supply cards, and material collection bills must be enforced. Ship and vehicular equipment should be placed in warehouses and unauthorized utilization, exchange, and lending are not allowed. Vehicular equipment which can be carried should be kept in containers. Applications for equipment replenishment must be put forward promptly once used.

#### Chapter 8: Barracks Property Management

Article 38. Grass-root units should strictly enforce real estate management rules and the relevant regulations and implement the barracks property management responsibility system, the maintenance system, the handover system, and the inspection and appraisal systems. Uses of barracks property must be registered, and barracks tools must be tabulated and registered in terms of price. Officers and men should be organized to promptly handle small-scale repairs on barracks property by themselves. Attrition rates for doors and windows, barracks tools, and glass should be kept within five percent, eight percent, and 10 percent.

Grass-roots units are not allowed to lease, lend, or transfer real estate.

Article 39. Grass-roots units should use barracks in accordance with the regulations. They are not allowed to cook in rooms other than kitchens, tear down walls, bore holes, erect sheds, or modify the use of houses at will; illicitly receive electricity, use electric stoves, or use unmetered electricity; illicitly refit water meters, conduits, and faucets; indiscriminately nail and draw things on walls and tabletops; dump sundries into urinals and drain pipes (canals); and disassemble, refit, make over, or remove barracks tools without authorization.

Article 40. Grass-roots units should use water, electricity, and heating and fire control equipment properly and should assign someone to manage it. They should economize on water, electricity, and coal and avoid "leakages, fires, and drips."

It is necessary to enhance the management of heating work in winter to maintain indoor temperatures and to prevent carbon monoxide poisoning and fires. During a set heating period, the temperature of dormitories and mess warmed by local methods should not be kept above 12 or below 6 degrees centigrade; whereas in the case of dormitories and mess halls warmed by central heating systems, the temperature should be kept between 8 and 14 degrees centigrade.

Article 41. Grass-roots units should vigorously take part in the construction of their barracks areas and in tree-planting and afforestation activities to manage and protect flowers, plants, and trees well.

#### **Chapter 9: Management of Logistics Goods and Materials, Facilities, and Equipment**

Article 42. Grass-roots units should work according to the criteria of supply to supply bedding and clothes which are of good quality and fit one's figure; accurately fill in forms and prepare lists; and apply for and distribute bedding and clothes on schedule. Bedding and clothes which do not fit should be replaced promptly. The collection rate for worn bedding and clothes should be over 95 percent.

Personal quilts and clothes must not be mildewed, disassembled, changed, or sold off, and must not be placed in one's own home or given to others. With regard to large-sized quilts and clothes, such as ordinary clothes, clothes for training, cotton-padded clothes, overcoats, bedding, raincoats, and special clothes, loss rates must not exceed 3 percent. Public quilts and clothes should be checked every quarter.

Article 43. Oil-consuming elements should insist on planning oil consumption in a reasonable manner and promote the application of advanced oil-saving technology in such a way that oil-saving rate is up to the set requirements of the senior authorities. Sealing and storing of oil contained in sealed oil tanks (cabinets) must be managed by someone who is specially assigned for this task to prevent loss and deterioration. It is necessary to avert oil accidents and cases of oil misappropriation. The rate of oil reclamation should come up

to the set requirements, and oil reclaimed must not be handled at will. The conditions of oil equipment must correspond to written records. Oil equipment must be maintained at regular intervals, and over 90 percent of equipment in good condition should be installed.

Grass-roots units should assign special personnel to manage mini oil depots, establish sound accounts for oil and oil equipment, enforce various rules and regulations, and ensure safety.

Article 44. Grass-roots units should have a complete list of facilities and equipment, which should reach the following criteria:

1. Beds, bedside cupboards, and thermos flasks are available in dormitories, and officers have desks and chairs, whereas soldiers have small stools. Bookcases, newspaper stands, and tables and benches are available in reading rooms.
2. Energy-efficient and dust-resistant kitchen ranges, cooking stoves and working tables, facilities for removing greasy smoke and for draining off sewage, and cooking utensils are all available in kitchens; standardized dining tables, benches, kitchen cupboards, vacuum kegs, screen windows, and washing basins are available in mess halls, while mess halls in the north and in the south have heating equipment and air conditioners respectively; and in storehouses for staple and nonstaple foods, cabinets, vats, and shelves for holding food, vegetables, and condiments are available.
3. There are courts for sunning clothes and flat roofs for drying shoes, and shelves in storerooms for putting things on and packs (bags) are available.
4. A complete list of medicinal materials should be stored according to regulations. For grass-roots units stationed in remote places, public health rooms should be established, and medicine chests (cabinets), tables and chairs for diagnosis, benches for treatment, and beds for diagnosis and treatment put up.
5. Quartermasters have should have their own steel cabinets and briefcases and iron doors, built-in locks, and window banisters made with iron installed in their offices.
6. In general, grass-roots units have garden-style vegetable farms and pig pens, and those stationed in the north have vegetable cells and greenhouses (large sheds).
7. As far as motor transport elements are concerned, car parks have been set up, which have garages, duty rooms, fire-fighting facilities, and fixed places for maintenance, charging batteries, storing equipment, refueling, and car-washing.
8. The professional and technical facilities and equipment of various logistics elements should be constructed and completely installed according to the relevant regulations.



Various organs and grass-roots units should combine with real conditions; organize, implement, and divide up work in light of their duties; vigorously create the correct conditions; and strive to achieve the above criteria.

Article 45. As far as public goods and materials are concerned, serial-numbering and pricing management should be implemented. Various goods and materials should be placed in order, fully registered, clearly recorded in such a way that the real quantities match the accounts, examined at regular intervals, and kept intact. Handover procedures should be completed when changes in storeroom personnel are made.

Article 46. Grass-roots units should implement an economic management responsibility system. Those who have lost or damaged public property should pay for full cost of the loss or part of it according to the circumstances and their compensating capability after economic committees have discussed and decided on the case.

#### **Chapter 10: Logistics Management in Carrying Out Combat and Special Tasks**

Article 47. When carrying out combat and anti-riot operations, emergency and relief missions, field training, exercises, scientific research and defense experiments, defense construction, and other tasks, grass-roots units must proceed from actual conditions, strengthen logistics management, spend funds and goods and materials in strict accordance with regulations, promptly report the consumption of funds, equipment, goods, and materials, as well as damage, to the higher authorities.

Article 48. Grass-roots units should assign or transfer officers who are in charge of logistics work in light of needs and with medical orderlies, catering personnel, kitchen staff, drivers and other professional personnel at the core, transfer other essential personnel to set up such logistics protection organizations as rescue groups, catering groups, and gasoline-supply groups.

Article 49. Grass-roots units should promptly apply for and receive funds, bedding and clothes, staple and non-staple foods, fuel, oil, and equipment with the full replenishment of goods and materials which are being taken along. They should form light packs and dispose of cumbersome goods and materials in accordance with the requirements of the higher authorities.

When transporting goods by rail, grass-roots units should go through the formalities in accordance with regulations; recondition loading and unloading sites as well as entrances and exits; erect and dismantle temporary platforms; carry out loading, unloading, and transportation work with the goods firmly fastened; and strengthen the management of transportation.

During wartime, "wartime personnel supply cards" and "certificates of paying living expenses of family members on behalf of officers and men" should be used to provide funds; firewood, foodstuffs, and money for 7 to

10 days should be stored; and goods seized should be checked and turned over to the higher authorities promptly.

Article 50. Grass-roots units should improve meals according to their conditions, supply hot meals and boiled water as far as possible, and take heat-preservation measures when delivering cooked food in winter. It is necessary to take care of and eat cooked food (field rations) carried by every individual in accordance with regulations and to disperse and to eat at concealed places during wartime. Investigation, protection, and purification of wells must be done well.

When eating and drinking at military supply centers, personnel should go through formalities according to regulations and be well-organized.

Article 51. Grass-roots units should act according to their tasks, the enemy situation, and the season, to launch hygiene knowledge campaigns and take precautions against food poisoning, harm inflicted by poisonous insects, sunstroke, and frostbite, as well as the "three preventions" [san fang 0005 7089]. They should implement preventive and curative measures, be vigorously organized to salvage themselves and others, and promptly look into epidemic situations to guard against the spreading of infectious diseases. Eating requisitioned foodstuffs without inspection is strictly prohibited.

Article 52. Grass-roots units should seize the opportunity to assemble and clean logistics equipment between wars (work). As far as logistical goods and materials and equipment are concerned, measures should be taken to guard against damp, rain, sunshine, and mildew. It is necessary to set up temporary parking lots for vehicles and machines and to build camouflage shelters during wartime.

Article 53. When carrying out combat and special missions, the General Logistics Department and various military regions, all of the armed services and arms, the logistics department of the State Science and Technology Commission, and the national defense industry should integrate with reality to lay down specific targets and requirements for grass-roots logistics management.

#### **Chapter 11: Duties of Organs**

Article 54. Commanders and political, logistics, and technical organs at all levels should uphold the orientation of serving the grass roots under the leadership of their own CPC committees and senior officers. They should fulfill their own tasks and coordinate and closely cooperate with each other to vigorously provide funds, goods and materials, and other guarantees to the grass roots and to direct and help grass-roots units to do well in logistics management work.

Article 55. Organs of the General Logistics Department should act according to the policy and principle of Army construction and the regular pattern of logistics work to define the guiding thought and policy of grass-roots

logistics management, revise and perfect various criteria and systems, lay down rules and regulations for grass-roots logistics management, and put forward the overall tasks and requirements of grass-roots logistics construction in the whole Army.

Article 56. Military regions, services, and arms, organs of the State Science and Technology Commission, and the national defense industry should act according to the overall tasks and requirements of grass-roots construction and integrate with reality to work out programs in their own systems, separately guide grass-roots logistics work, study and solve general problems, and commend and give publicity to advanced models which have a major influence.

Article 57. Organs at the army and division level should thoroughly plan their units' grass-roots logistics work, guide grass-roots logistics construction in a planned and step-by-step manner, solve existing problems, summarize the popularization of advanced experiences, and organize short-term collective training for officers who are especially in charge of logistics work in grass-roots units.

Article 58. Organs at the brigade and regimental levels should directly organize and guide grass-roots logistics work in their own units, urge grass-roots units to fulfill the task of logistics protection, organize collective professional training for grass-roots logistics personnel, construct and supervise production bases for nonstaple food, launch itinerant services, organize examinations and appraisals of grass-roots logistics work, find out and solve concrete problems and real difficulties in terms of grass-roots logistics protection, and promptly reflect the situation and problems in grass-roots logistics work.

#### Chapter 12: Rewards and Punishments

Article 59. Units and individuals with outstanding achievements in implementing these regulations shall be rewarded in accordance with the "Disciplinary Regulations of the Chinese People's Liberation Army."

Article 60. Organs above the level of regiment should circulate notices of criticism to grass-roots units, which are in one of the following circumstances, ordering them to rectify problems within a defined period. For serious cases, leaders, and those who have direct responsibility, will be subject to punishment in accordance with the "Disciplinary Regulations of the Chinese People's Liberation Army."

1. An unsound economic democratic system or chaotic after-hours production and mess management, against which officers and men have strong feelings.

2. Overspending funds and army provisions or suffering heavy losses of public property due to mismanagement.

3. Failing to fulfill the task of making logistics preparations for war and training.

4. Practicing fraud in grass-roots logistics work in such a way that the situation reported to the higher authorities is absolutely unfounded.

5. Making little effort in grass-roots logistics management so that there are other problems.

Article 61. Personnel who fit one of the following circumstances are to be punished in accordance with the "Disciplinary Regulations of the Chinese People's Liberation Army"; and for those whose misconduct amounts to offenses, their criminal responsibility will be investigated in accordance with the law.

1. Violating financial and economic disciplines, using one's authority to pursue private interests, making fraudulent applications and claims, embezzling public funds and property, and infringing on soldiers' interests.

2. Breaking regulations of sanitation management leading to the outbreak and spread of infectious diseases or the occurrence of food poisoning.

3. Bringing heavy loss or damage to logistics outfits, goods and materials, facilities, and equipment.

4. Breaking regulations managing the use of boats, ships, and vehicles leading to the occurrence of accidents, which cause economic losses.

5. Neglecting duties so causing heavy economic loss in after-hours production.

6. Other violations of the regulations which can bring about adverse consequences [passage indistinct] for grass-roots logistics work should be brought into line with the attainment criteria stipulated in the "Program for the Grass-Roots Construction of the Army" to facilitate a unified organization. These regulations are the basis of the criteria for appraising grass-roots logistics work, and those who fail to reach the criteria when examined will not be commended as having attained the said criteria in grass-roots construction.

Units below the level of army should organize appraisals of grass-roots logistics work in accordance with the unified planning of the higher authorities and are not allowed to add other appraisal activities by themselves.

Article 63. Professional technical work by logistics elements, which are not defined in these regulations, should be carried out in accordance with the relevant regulations.

Article 64. Various military regions, all services and arms, the State Science and Technology Commission, and the national defense industry should formulate implementation details in accordance with these regulations.

Article 65. The General Logistics Department is responsible for the interpretation of these regulations.

Article 66. These regulations will be effective from their day of promulgation. The "Interim Regulations," which

were promulgated by the General Logistics Department on 26 February 1991, will be annulled that very day. Past regulations on grass-roots logistics management inconsistent with these regulations will all be superseded by these regulations.

### **Economic & Agricultural**

#### **Li Peng Calls For Efforts on Three Gorges Project**

##### **Urges Chongqing Support**

HK2011085092 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1200 GMT 19 Nov 92

[Text] Chongqing, 19 Nov (ZHONGGUO TONGXUN SHE)—Li Peng, premier of the Chinese State Council, recently inspected Chongqing. He hoped that Chongqing would make greater contributions to the Three Gorges Project.

According to a CHONGQING RIBAO report, Premier Li Peng arrived in the city on 12 November. During his inspection of the city, Li Peng visited the Nanping Development Zone, Qingling Automobile Co. Ltd., and other places. He also listened to reports by leaders of Sichuan Province and Chongqing.

As for the Three Gorges project, Li Peng said that the construction of the Three Gorges project will first improve Chongqing's river transport condition, and it is said that the most serious problem in Sichuan's economic development at the time lies in its poor transport conditions. After the Three Gorges project is started, ships can sail to Chongqing year round.

Li Peng stressed that the Three Gorges project was approved by the National People's Congress. It is of great significance for all areas along the river, either in the upper or lower valleys. It will solve the flooding problem in the lower valley, and will also produce electricity. The Three Gorges project will supply electricity to Chongqing. In the process of construction, Chongqing can use its existing machine-building industry and national defense industry to support the Three Gorges project. At present, the most important issue is to create conditions for the project in Sandouping, and all people should make contributions to the Three Gorges project.

##### **Addresses Conference on Project**

OW2011143992 Beijing XINHUA in English 1424 GMT 20 Nov 92

[Text] Wuhan, November 20 (XINHUA)—Chinese Premier Li Peng urged again concerned government departments and scientists to exert greater efforts to the construction of the Three Gorges Project, the most important hydropower project in China in a century.

Li made the call on Thursday at a working conference held by the State Council on the project in Wuhan, capital of central China's Hubei Province.

Presided over by the premier, the conference discussed the establishment of a leading group for the construction of the Three Gorges Project and the current preparatory work.

Construction of the Three Gorges Project was approved at the fifth session of the Seventh National People's Congress. Since then, the Central Party Committee and the State Council have attached great importance to the preparations for the construction of the project, which is to be launched at Sandouping, western part of Hubei Province.

To guarantee the smooth construction of the project, the State Council set up a preparatory group under the committee on constructing the Three Gorges Project, held meetings on the resettlement of people in the Three Gorges Project reservoir area and arranged the work to support the resettlement project nationwide.

Li Peng said at the conference that the 14th National Congress of the Communist Party of China (CPC) has passed a resolution on the construction of the Three Gorges Project, which needs nationwide effort.

The premier noted that funds for the construction of the project will be raised through different channels and the construction will be carried out through bidding in accordance with international practices.

Talking about the resettlement of people in the reservoir area, Li said it is an arduous task to resettle the more than one million people in the reservoir area, which is one of the important elements to the success of the Three Gorges Project.

He pointed out, the resettlement should be carried out in line with the developing policies of the CPC Central Committee, by combining with the economic development and gradually improving the production and living level in the resettlement area. The central government will provide requisite support for the resettlement project, for the purpose of forming a sound investment environment in the resettlement area to attract more domestic and overseas investment, Li added.

The premier noted that it is urgent to set up efficient leading groups for the construction of the Three Gorges Project.

Vice Premier Zou Jiahua, State Councillor Chen Junsheng, and vice-chairman of the Chinese People's Political Consultative Conference also made important talks on the establishment of leading groups, the resettlement project and preparations for the Three Gorges Project at the conference.

Concerned departments under the State Council and officials from Hubei and Sichuan Provinces pledged their determination to support the Three Gorges Project



which mainly includes a 185-m-high dam, solid enough to withstand any floods of the Yangtze River.

Before the conference, Premier Li Peng made a on-the-spot investigation in the project area from November 12 to 18.

### Finance Minister Outlines Major Problems

HK1911132992 Hong Kong CHING CHI TAO PAO in Chinese No 44, 9 Nov 92 p 13

["China Economic News" column: "Finance Minister Liu Zhongli Speaks on Four Major Financial Problems"]

[Text] A few days ago, Finance Minister Liu Zhongli said that the financial situation this year is better than in previous years. However, four major problems exist which cannot be neglected:

First, the growth in this year's revenue is lagging far behind that in production. From January to August, the normal growth in revenue was 8 percent lower than the growth in total industrial output value.

Second, expenditure growth has been too fast and spending in some projects by September outstripped the annual budget. From January to September, the locally raised funds for capital construction increased 32.8 percent. In some provinces, the figure exceeded 100 percent.

Third, the growth in industrial and commercial taxes has slowed down. In the latter half of this year, the growth in industrial and commercial taxation has dropped for three consecutive years.

Fourth, a number of counties had serious financial difficulties and some could not even pay out wages on time.

Liu Zhongli said that the most pressing matter in the last quarter is to attach great importance to financial and taxation work and bring financial deficits under control.

### State Revenues Seen To Maintain High Growth Rate

HK2011104992 Beijing XINHUA Hong Kong Service in Chinese 1019 GMT 3 Nov 92

[By staff reporter Ding Jianming (0002 1017 6900)]

[Text] Beijing, 3 Nov (XINHUA)—According to information provided by the Ministry of Finance, in the first nine months of this year, China's financial revenue maintained a rather high growth rate against the background of the rapid development of the national economy.

From January to September, the national financial revenue totaled 266.85 billion yuan, an increase of 11.4 percent over the same period last year according to calculations based on compatible parts. Among others, industrial and commercial taxes reached 188.7 billion

yuan, an increase of 14 percent. Other major revenue items also increased by differing degrees. Such a favorable situation has rarely been seen in the financial and taxation work.

It is said that the 11.4 percent growth rate in state revenue, which continued to increase by a low rate, will play a positive role in ensuring that the state revenue target in the annual revenue is achieved, ensuring the promotion of the smooth development of reform and opening, and ensuring the faster and better development of the national economy.

At present, however, difficulties in state finances have not been mitigated to any extent and many problems remain unsolved in implementing the state budget. This year, although the normal financial revenue is higher than last year, it is still lower than the 19.3 percent growth rate of industrial production. When normal revenue was increasing at a slower rate, expenditure continued to maintain a rather high growth rate. In the first nine months, national financial expenditure reached 261.886 billion yuan, an increase of 16.4 percent on the same period last year. The growth rate was far higher than the budgetary target of 8.1 percent.

In addition, in the recent period, some localities did not follow the State Council's repeated instructions and still included circulation tax [liu zhuan shui 3177 6567 4451] in the scope of contracts. Some localities were unrealistically optimistic about the favorable situation of the revenue in the first half of the year and relaxed their efforts in financial management. The phenomena of waste and extravagance reappeared and spread in some localities.

Therefore, China required all localities and departments to make joint efforts to continue collecting taxes in accordance with the law, strictly control the scope of tax reduction and exemption, and strive to keep the financial deficit within the limit prescribed by the budget.

### People's Bank Official Outlines Reform Measures

OW2011102492 Beijing XINHUA Domestic Service in Chinese 2112 GMT 19 Nov 92

[Text] Beijing, 20 Nov (XINHUA)—Banking institutions throughout the country have earnestly implemented the guidelines of the 14th CPC National Congress in light of the actual situation in each bank, paying particular attention to exploring ways to keep abreast of the establishment of a socialist market economic system.

In an interview with a XINHUA reporter, Guo Zhenqian, vice governor and deputy secretary of the party group of the People's Bank of China, explained the central bank's overall control and regulation under a socialist market economic system. He said: Following the establishment of a socialist market economic system, the central bank will shoulder a heavier duty in exercising overall control and regulation. In order to ensure the sound operation of markets and to keep market



prices basically stable, the central bank will apply all kinds of economic levers to regulate the total currency and credit volume, and to restructure loans, thereby optimizing the distribution of resources through optimal use of funds. In transforming the functions, the People's Bank shall, under the premise of guaranteeing the state's unified control and regulation over currency issuance and credit volume, adopt more currency policies of indirect regulation than ever and focus attention on investigating, studying, monitoring, and predicting changes in the circulation of currency and loans. As for the bank's mechanisms in financial control and regulation, they shall be brought into play through better use of market mechanisms.

On the question of accelerating the change of the management mechanisms of specialized banks, Guo Zhenqian said: We should speed up the change of the management mechanisms, gearing them to markets and gradually enabling specialized banks to exercise self management and restraint; strike a balance and take risks on their own; assume the responsibility for profits and losses; and develop themselves. Following the establishment of a market economic system, it is necessary to, first and foremost, grant managerial autonomy to specialized banks to allow them to deal directly with enterprises in the market and issue loans to enterprises with better efficiency. It is also necessary to actively create the conditions for separating government from commercial banking operations. Meanwhile, efforts should be made to nurture and develop open and unified money markets with complete rules and regulations, and a rationally-distributed network throughout the country; to actively nurture and establish national discount loan markets; and to develop bond and foreign exchange markets. Efforts should also be made to further develop other kinds of banking institutions suitable for a socialist market economic system.

Guo Zhenqian said: This year, the central bank has experienced considerable pressure and difficulty in controlling currency issuance. Therefore, the main tasks for the remaining two months are: 1) Bringing credit scale under control to ensure the funds needed for cashing deposits, and procuring farm and subsidiary produce; and 2) controlling money supply by effectively withdrawing money from circulation to fulfill this year's target of credit and currency control.

### Foreign Capital Use Policy Change Planned

HK2011090092 Beijing RENMIN RIBAO in Chinese  
30 Oct 92 p 2

[Article by reporter Liu Xiao (0491 7197): "Vice Minister Gu Yongjiang on Readjusting Policy To Make Full Use of Foreign Capital"]

[Text] Over the past dozen years or so, the use of foreign capital has become an important component of China's

opening up to the outside world. At the moment, following some readjustments, there will be a new breakthrough in this policy.

Gu Yongjiang, vice minister of foreign economic relations and trade, recently pointed out: The purpose of readjusting this policy is to make fuller use of foreign capital. This includes the following aspects: Expand the scope of using foreign capital by running foreign-invested enterprises on a trial basis in the fields of foreign trade, domestic trade, insurance, banking, ocean shipping, and aviation; open the domestic market wider to foreign enterprises running large and medium hi-tech foreign-invested enterprises in China; conscientiously study and solve the macromanagement of foreign-invested enterprises and further improve the investment environment to promote the healthy development of foreign-invested enterprises; study and readjust some major policies on attracting foreign capital and create conditions for giving foreign investors the same treatment as Chinese nationals; and, at the same time, further transfer to a lower level the competence of examining and approving direct investment projects by foreign firms, change the method of designating the examination and approval competence of different areas according to investment volume, and stipulate that all projects which do not involve the state's overall balancing plan and export quota, and which export all their products in terms of construction and production conditions will be examined and approved by localities themselves.

The readjustment of the policy on using foreign capital indicates the general trend that China is opening increasingly wider to the outside world.

### More Organs Empowered To Register Foreign Firms

HK2011085292 Hong Kong ZHONGGUO TONGXUN  
SHE in Chinese 0846 GMT 2 Nov 92

[Text] Beijing, 2 Nov (ZHONGGUO TONGXUN SHE)—Liu Minxue, director of China's State Administration for Industry and Commerce, pointed out that more government organs will be authorized to handle registration of foreign-funded enterprises in China at three levels in order to adapt to the new situation marked by a new surge in the use of foreign capital.

The move to authorize more government organs to handle registration of foreign-funded enterprises will include: 1) Granting such powers to the administration for industry and commerce in all provinces, cities, regions, and cities with separate listing. 2) Granting such powers to the administration for industry and commerce of cities under the jurisdiction of the provincial government in open coastal zones. 3) Granting such powers to the administration for industry and commerce of municipalities under direct jurisdiction of the central government where foreign-funded enterprises numbered more than 100. The administration for industry and commerce of all the aforementioned cities will be authorized to handle registration of foreign-funded enterprises.

Furthermore, the districts and counties of county-level cities and cities under jurisdiction of provincial governments with a fairly high number of "foreign-funded" enterprises will be granted the right to a preliminary examination of the application for registration of foreign-funded enterprises.

#### **Credit Insurance To Assist Trade Diversification**

*HK2011034592 Beijing CHINA DAILY in English 20 Nov 92 p 2*

[By staff reporter Ren Kan: "Credit Insurance Widens"]

[Text] The People's Insurance Company of China (PICC) will expand its export credit insurance service next year in support of the country's export trade.

The company will start to offer long- and medium-term export credit insurance for the first time next year, said an official with the country's major underwriter.

The move may help China fulfill its trade diversification plan, which is intended to promote China's foreign trade with countries in Asia, Africa, Latin America and Eastern Europe.

With the insurance, Chinese traders will be able to make deals even when foreign buyers can't offer letters of credit. That's because exporters with insurance will be able to get what they are owed even if they can't get the money from the foreign buyers.

The long- and medium-term export insurance programme carries high financial risks, the official said.

"We are not expecting to earn profits from this kind of service," the official said. "We offer it only to serve the country's trading strategy."

The government has given priority in policy to support the company in offering the service.

A fund involving \$100 million will be established in the coming years to back the new insurance, and that kind of service will be exempted from the business tax.

Besides long- and medium-term insurance, the company is also planning to augment its business in short-term insurance, which started in 1989.

Next year, he said, annual premium income from the short-term insurance will double this year's expected \$5 million.

#### **Aviation Industry Expands Foreign Links**

*HK2011062492 Beijing CHINA DAILY in English 20 Nov 92 p 1*

[By staff reporters: "Air Firms Look for More Deals"]

[Text] The country's aviation industry is forging closer links with foreign companies to develop its major domestic routes and its exports.

Shanghai Aviation Industrial Corporation and the McDonnell Douglas Corporation are looking for further deals in the wake of a massive \$1.1-billion contract signed in July to co-produce 40 commercial jetliners by the turn of the century.

And a Xian company is delivering more parts for European and North American airlines.

Don Snyder, deputy president of McDonnell Douglas, was quoted as saying that a larger project for the co-production of a further 130 jetliners is under negotiation.

Snyder has that China use its newly-developed 158-seat MD-90 aircraft on its main routes, according to the overseas edition of People's Daily.

The model is described as equipped with the most advanced navigation and engine systems.

In Shaanxi Province, the Xian Aircraft Industrial Company (XAIC), one of the key airplane manufacturing firms in China, delivered its first ATR 42 outer wing box to France Aerospace Company (FAC) on Wednesday in Yanliang, marking another success by the company in producing airplane parts for foreign buyers.

It is the first contract project between XAIC and FAC—and the company's largest one with a European company.

Before this delivery, XAIC had handed over 91 other units that were on schedule and up to the company's quality standards, Wang Qiping, general manager of XAIC, said at the delivery ceremony.

The ATR 42 is a passenger plane that was designed by FAC and Italian Aerospace Company in the early 1980s.

Wang said since 1980, XAIC has signed contracts for the production of 28 spare parts for six kinds of airplanes for Canadian Airlines, Boeing and McDonnell Douglas, FAC, Airbus and El Italia Airlines [name of airline as published], worth \$120 million.

#### **State Council To Approve New Bonded Zones**

*HK1811143092 Hong Kong CHING CHI TAO PAO in Chinese No 42, 26 Oct 92 p 16*

[From "China Economic News" column: "Establishment of Another Group of Bonded Zones To Be Approved"]

[Text] According to the State Council Special Economic Zones Office, the State Council will officially approve the establishment of another group of bonded zones in the near future. Such places as Qingdao, Zhangjiagang, Ningbo, and Fuzhou can expect to secure approval for establishing bonded zones.

So far, the construction of six bonded zones has been approved by the State Council and is underway. Three of them have been examined and accepted by the customs authorities.

These six bonded zones have been set up in Shanghai, Tianjin, Shenzhen, Dalian, and Guangzhou in the past two years. Over 800 enterprises have signed contracts for entering these zones, and a total of approximately \$1 billion in investment has been absorbed. Some major international companies have begun to enter China's bonded zones.

Shanghai's Waigaoqiao Bonded Zone was the first bonded zone to be set up in China. By the end of September, 202 enterprises had been permitted to enter the zone, 140 of which were funded by foreign investors from 19 countries and regions. The amount of investment totaled \$510 million.

By the end of September, 312 Chinese and foreign enterprises had been permitted to enter Tianjin Port Bonded Zone. Among them, 230 were foreign-funded, involving a total investment of \$393 million, 51 percent of which was direct investment by foreign businessmen. The 1.2-square km land in the starter area of the bonded zone had all been leased out.

#### Provincial Foreign Trade Share-Holding Firm Set Up

OW1811134492 Beijing XINHUA in English 1323  
GMT 18 Nov 92

[Text] Hangzhou, November 18 (XINHUA)—The Zhejiang Zhongda Joint Stock Corporation, the first provincial-level foreign trade share-holding enterprise in the country, announced its establishment here today.

With a registered capital of 90.30 million yuan, the corporation was co-sponsored by the Zhejiang Provincial Garment Import and Export Company, the China National Textiles Import and Export Corporation and the Hangzhou Trust and Consultation Company under the Bank of China, as well as the Communications bank of China Hangzhou Branch.

Its backbone enterprises include the Zhongda Real Estate Development Company, Zhongda Trade Company, Zhongda Apparel Complex and the Zhongda No. 1 garment factory. The corporation also includes more than 40 Sino-foreign enterprises, using funds from the corporation itself.

After its establishment, the corporation will adhere to the principle of combining import with export, foreign trade with local trade and production with administration, with the purpose of developing itself into an industrial, multi-faceted enterprise which has the capability to compete on the international market.

#### Investment Fund Management Develops in Shenzhen

OW1811135992 Beijing XINHUA in English 1342  
GMT 18 Nov 92

[Text] Hong Kong, November 18 (XINHUA)—The Shenzhen Investment Fund Management Company, the

first fund company in the Chinese mainland, is to raise 300 million yuan (540,000 U.S. dollars) starting tomorrow.

Zhang Guoqing, an official of the Shenzhen branch of the People's Bank of China, made this announcement at a luncheon sponsored by the Hong Kong Unit Trust Association here this afternoon.

Zhang said that about 80 percent of the raised money will be invested in securities listed on the Shenzhen and Shanghai Stock Exchanges with the rest going into hi-tech and real estate and property industries.

He said the fund company, with the Shenzhen branch of the Industry and Commerce Bank as its trustee, will issue sub-funds to institutions and the public can subscribe through the unions and associations of their working units. For the time being, he said, the fund is not available for foreign subscribers.

Zhang also announced that two other fund companies, which are waiting for approval, will each raise 300 million yuan (540,000 U.S. dollars). They are Shenzhen Lantern Fund Management Company with the Shenzhen branch of the Construction Bank as its trustee, and Shenzhen Insurance Fund Management Company with the Shenzhen branch of the Bank of China as its trustee.

The Shenzhen authorities have published provisional administrative rules on the local investment trust fund, which covers the structure of investment trust funds, trust deeds, fund management, issue and trading of beneficiary certificates, and penalty.

The fund industry, which has started off in Europe and the U.S. and other developed countries, has become a major force in the securities and financial fields. In the U.S., about 25 percent of the population invest in mutual funds. In Hong Kong, the Hong Kong Unit Trust Association manages over 600 funds with total asset exceeding 21 billion U.S. dollars.

#### Shareholding Reform To See 'New Breakthroughs'

HK1811145892 Hong Kong CHING CHI TAO PAO in Chinese No 42, 26 Oct 92 p 17

[From the "China Economic News" column]

[Text] Recently, Liu Hongru, vice minister of the State Commission for Restructuring the Economy, said in Shenzhen that there will be some new breakthroughs in this year's reform of the shareholding system.

1. The restrictions on areas selected for experiments on the shareholding system will be relaxed. Apart from Shenzhen and Shanghai, a number of enterprises in Hainan, Fujian, and Guangzhou will issue shares to the public in the near future.



2. Although no more stock exchanges will be established, the shares from various localities will be listed in Shenzhen and Shanghai's stock markets.

3. Organizational investors will be developed. That is, all kinds of foundations will be developed, and shares will be bought through such foundations, so it will be easier for the state to carry out management, and the risks of shareholders can be reduced. Thus, state cadres can also buy shares while maintaining a clean government.

### Slow Introduction of Shareholding System Urged

HK2011081592 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0742 GMT 2 Nov 92

[Text] Beijing, 2 Nov (ZHONGGUO TONGXUN SHE)—Vice Premier Zhu Rongji recently made a remark which gave much food for thought. He said: What should get hot has not become hot, but what should not get hot has become extremely hot indeed.

In the eyes of this most senior official in charge of China's economic life, the "stock fever" should be classified under the latter category.

For China, stocks were first issued in Shanghai and Shenzhen in the mid-1980's. It did not draw much attention from the Chinese public at that time. To introduce stocks to the public, CPC members and government officials were asked to take the lead in purchasing stocks.

However, this year, especially after the "Deng whirlwind," the stock fever has risen all of a sudden. So far, there have been more than 3,960 joint-stock enterprises operating in this country, and 60-70 listed stocks are available on the market. This is no doubt a historic progress.

Economic experts hold that the original purpose in practicing the joint stock system on a trial basis was to transform the enterprise operational mechanism, force the enterprise to enter the market, assist it in gathering financial resources, expand its production scale, increase the cohesive force within the enterprise, and effect a separation between government administration and enterprise management. This is a natural way out for the reform of the Chinese economic structure.

However, for the time being, there are not sufficient laws or regulations in support of the joint stock system, we lack experience and qualified personnel, and we do not have enough time. If we insist on rashly introducing the joint stock system everywhere and put stocks on the market and establish stock exchanges in a hurry, what we can accomplish will be an unsound system.

Back in April, Vice Premier Zhu Rongji already pointed out that China should absolutely not go too far as it still lacked experience in successfully marketing stocks; and the conditions are still not ripe for introducing the joint stock system nationwide.

Chen Jinhua, Minister of the State Commission for Restructuring Economic Systems, has reiterated time and again the 12-character principle: "To resolutely launch pilot projects, not to initiate too many projects but ensure the best quality possible, and to prevent disorder."

Li Yining, the noted economist who has been making unremitting efforts to promote the joint stock system over the past 10 years, recently noted that one should keep cool-headed now, at a moment when the joint stock system is becoming a fever. The joint stock system should be gradually introduced on a standardized and regulated basis. One should keep a rather slow pace and ensure that the operation proceeds steadily and safely.

Economists hold that the joint stock system's popularity is a historical progress. It is not surprising that some problems have arisen in the process, but we should try our best to prevent any big blunder. The chaos during the stock selling project in Shenzhen and the case of a Shanghai stock investor committing suicide have sounded the alarm. Liaoning Province, Anhui Province, and Xiamen city, which issued stocks on their own without prior approval of the central government, have been strongly criticized by the higher leadership. For this reason, the press recently disclosed, the plan to set up the third stock exchange in China has been shelved.

Economists pointed out that one must not seek to initiate many joint stock system pilot projects, but try one's best to ensure the quality of the on-going projects. One should launch a project only when the conditions are ripe and must make sure that all projects are carried out on a standardized and regulated basis. On the other hand, China badly needs to develop a whole set of laws and ordinances so that people will have some standards and regulations to follow.

### Authorities Said 'Opposing' Third Stock Market

HK2011114192 Beijing CHINA DAILY in English 20 Nov 92 p 4

[Unattributed Article: "Cities Scramble in Race for New Bourse"]

[Text] Calls to open a third stock market after the two in Shanghai and Shenzhen are getting louder and louder. The central authorities, however, are opposing.

They refuse to open a new stock market for at least three years. They want to issue a series of laws and regulations to standardize the operation on the stock market before opening more bourses, said China Business Times on October 31.

The need to guarantee the health of the experiment became obvious after the Shenzhen Stock Market riot in August.

Unlike policy makers, some economists advocate it is time to open, at least, another stock market.

The experts argue that although companies outside Shanghai and Shenzhen can float stocks in the two cities, operating is not convenient. Even worse, more funds will flow to Shenzhen and Shanghai. It will widen the gap between the economies of the South and North, they said.

Li Yining, a professor at Beijing University said that it is necessary to establish a bourse in each economic region by the end of this century. He warned that the inadequate supply of investments in inland areas will be much worse, as the limited funds there are being attracted to the two markets.

Meanwhile, local governments are banging the drum for the economists, said the newspaper. Nine provinces and municipalities have applied to the central government to establish stock markets.

They want to establish the third stock market in their own regions, and most take it for granted that they will reap windfall profits.

In the North, the newspaper said, there are three candidates for the possible exchange. They are Beijing, Tianjin and Shenyang.

Beijing has most professionals and information. But because it is the capital, the political sensitivity would unsettle the stock market.

Historically, Tianjin was the financial centre of North China. It has experience in operating a stock exchange. In June 1949, when the city was liberated, New China set up its first stock exchange there, which closed in 1952. The old brokers are still alive.

Mayor Nie Bichu said Tianjin will be competitive if the new market is going to be in the north.

Although Shenyang, a base of China's heavy industry, has fallen behind in the reform, it needs a stock exchange to absorb funds to bail out the enterprises in Northeast China. Moreover, Shenyang is one of the few cities which first launched an experimental share-holding system in the mid-1980s.

Meanwhile, Wuhan, the capital of Hubei Province, believes it should be the location of any new bourse. The city is located in the centre of the country and has introduced experiments of financial, investment, price and enterprise reforms.

In addition, as the Three Gorges Project has been approved by the National People's Congress, billions of yuan's worth of investment will be invested in Wuhan in the next decade, said the newspaper. It will help to promote the city as a financial centre.

In the South, Hainan Province, Xiamen of Fujian Province and Guangzhou of Guangdong Province have been brewing to open stock exchanges. Some have even made reckless moves without the permission of the central government.

It is neither possible nor necessary to open a stock exchange in each province. But the economists warn that with residents' 1.5 trillion yuan (\$269.7 billion) savings, the two exchanges are obviously unable to stand the strain.

### Standardization in Shareholding Reform Stressed

HK2011085392 Hong Kong ZHONGGUO TONGXUN  
SHE in Chinese 1131 GMT 2 Nov 92

[Text] Guangzhou, 2 Nov (ZHONGGUO TONGXUN SHE)—In an interview with reporters here, the noted economist Li Yining stated that the main problem in the reform of the mainland's shareholding system at the moment is the lack of standardization [gui fan 6016 5400], and standardization is the life of the shareholding system.

Li Yining maintained that the shareholding fad which swept the mainland this year is already "overheated," and its crucial point is illustrated by the fact that enterprises which are neither qualified nor sufficiently standardized also want to be listed and to float stocks, and that some such enterprises have in fact been listed already, thereby creating many real problems. Meanwhile, qualified enterprises which are also more standardized could not obtain approval to float stocks. Also, the people lack knowledge about the stock market and are careless in making investments, causing considerable risks through blind share investments.

Naturally, an overheated shareholding system does not mean that its implementation should be slowed down. Professor Li Yining said: At present, China should vigorously promote the standardization of enterprises and accelerate the introduction of the "Corporations Law" and "Stock Market Trading Law" so that each and every listed enterprise which floats stocks will have a set of standardized rules and regulations on management. Moreover, he believed that the scope of experiment in the shareholding system should be enlarged, with experiments conducted particularly in big and extraordinarily big enterprises. Otherwise, the reform of the shareholding system in China will lose its representative significance.

### Article Views Entrance of Enterprises Into Market

OW2011123892 Shanghai WEN HUI BAO in Chinese  
16 Nov 92 p 3

[Article by Guan Mingcheng (7070 2494 2052): "Push Them or Let them Enter on Their Own?"]

[Text] "Pushing enterprises into the market" is a popular topic of conversation nowadays. Some entrepreneurs disagree with the wording, saying that it sounds as if enterprises are not willing to enter the market by themselves and need somebody else to push them into it. These entrepreneurs suggest that the wording should be changed to: "Let enterprises enter the market." Pushing

them or letting them enter on their own—which is appropriate? My personal opinion is that it depends on the actual situation. If the enterprises are able to enter the market by themselves, then let them do so; otherwise, give them a push. The present situation of our enterprises is: Some of them have grown strong enough to walk on their own, while others are either not well-developed or else unwilling to walk on their own despite the fact that they are fully capable of doing so. Regarding the former, the government should let go of them, allowing them to "walk" into the market by themselves; as for the latter, the government should "push" them into the market step by step.

Regardless of whether they enter the market by themselves or are pushed, the importance is not in the play of words but in overcoming their dependence on the government and in raising their competitiveness. At the same time, they need to develop a sense of the market; truly understand, be well-informed about, have a good grasp of, and dominate it; and seize the initiative in market management. For the government and its functional departments, their basic task is to eliminate the mentality of "placing everything in their own hands" and hand the power back to the enterprises, letting them truly become legal persons responsible for managing themselves. In addition, the government and its functional departments also need to establish a sound market economic system to create the conditions and opportunities for enterprises to enter the market.

It does not matter how enterprises enter the socialist market, as long as they do so!

### Enterprises Ready To Face Market Competition

OW2011103392 Beijing XINHUA in English 0848  
GMT 20 Nov 92

[Text] Hefei, November 20 (XINHUA)—The goal of building a socialist market economy drafted by the Chinese central authorities is deemed by state-owned enterprises in the country as a good opportunity to raise their economic efficiency and accelerate their pace of development.

In a sample survey of 100 state-owned large and medium-sized enterprises in east China, 82 percent reported that they now have the conditions to become market-led and that they are ready to face the new challenge of market competition.

Comprising Jiangsu, Zhejiang, Shandong, Anhui, Jiangxi and Fujian Provinces and Shanghai municipality, east China is an economically developed area and home to nearly 4,000 state-owned enterprises, about one third of the country's total.

Conducted by XINHUA reporters, the survey covered 10 issues concerning enterprise autonomy, difficulties and prospects for the future.

Zhang Jialing, general manager of the China (Jinan) Scooter Group Corporation, said, "Actually, our factory started to seek expansion through the market a few years ago."

In the late 1980s the factory, China's oldest and fourth-largest motorcycle producer, with 200 million yuan of fixed assets and 8,600 employees, experienced a fall in economic efficiency because it failed to shift itself to market regulation from purely state planned operations.

Since 1990 the enterprise has set up a nationwide sales network and a market information network, developed new products in line with market demand while intensifying product quality control.

As a result, in the first 10 months of this year the enterprise's sales income, pre-tax profits and foreign exchange earnings from exports recorded 82 percent, 100 percent and 170 percent increases, respectively, over the same period of last year.

Zhang said that the change of government functions, and enterprise autonomy are important factors to lead the enterprises to the market.

In the survey, 80 percent of the enterprises deemed that 12 of the 14 decision-making rights granted recently to enterprises by the state have been or basically been put into effect, including the right for the recruitment of labor, product sales, raw material purchase and assets disposal.

To improve the performance of state-owned large and medium-sized enterprises by pushing them to the market is one of the key links in the Chinese Government's endeavor to modernize the economy since they are the pillars of the national economy. Their number accounts for only 2.9 percent of the country's total industrial enterprises, but the industrial output value they create and the profits and taxes they turn to the state account for nearly half and 67 percent, respectively, of the country's total.

For a long time, rigid economic planning and direct government involvement in enterprise operations hampered the development of state-owned enterprises. During the Seventh Five-Year Plan period (1986-1990), their output value reported an average annual growth rate of only 7.3 percent, as opposed to the growth rates of 17.6 percent for collective enterprises and 74 percent for foreign-funded enterprises.

The survey shows that 80 percent of the factory directors are "confident about running their enterprises well". They deemed that the state-owned enterprises have the advantage in skilled workers, strong technical expertise and high management standard.

Zhang Ping, director of the Hangzhou General Refrigerator Plant in Zhejiang, said, "The building of a socialist market economy has put state-owned large and medium-sized enterprises on the same footing with rural enterprises and foreign-funded enterprises in competition."



One of the oldest refrigerator producers in China, the plant has 450 technicians and engineers out of its total payroll of 3,000, but, bound within the purely planned economy, the plant, which had been previously a big profit earner, turned to operating at a loss a few years back.

This year, given decision-making power, the plant carried out reforms in its employment and distribution systems and it began to make profits.

Xu Shouyuan, director of the loss-making Tongling Rolling Stock Plant in Anhui Province, said confidently that if the state cancels mandatory planning and completely puts the market force into effect, his enterprise will surely put an end to losses.

"Under the purely planned economy, most of our products had to be sold at state designed low prices, but we had to buy the raw materials needed at high market prices in order to ensure production under the state plan," Xu complained.

Half of the products of Xu's factory were produced under the state mandatory plan and the factory managed to cut its losses by developing new products such as poultry vans and flatbed tricycles catering to market demands.

The survey also shows that many enterprise managers complain that the process for the government to change its functions is too slow and the markets for funds, labor and production materials for them are inadequate, hindering their way into the market.

Today, only a few enterprises have got the autonomy in foreign trade, and the survey finds that many more want such autonomy right now. Government officials involved expressed the hope that they should be given more time in order to prevent chaos.

Meanwhile, some of the enterprise directors questioned during the survey said that they still had to pay extra charges to a few bodies which stood in their way of operation. They hoped that the government will take earnest measures to stop this.

#### **Beijing Steel Company Makes Double Acquisition**

HK2011644092 Beijing CHINA DAILY in English 20 Nov 92 p 2

[By staff reporter Lao Zhang: "Steel Giant Acquires Two More Companies"]

[Text] The Shougang (Capital Iron and Steel) Corporation yesterday announced it has taken over two other domestic enterprises in a bid to muscle up for a massive development programme intended to put it among the world's top-10 steel makers before the end of this century.

Shougang also recently took over a large machinery manufacturing plant in Beijing, purchased a steel mill in California of the United States and acquired a large iron ore company in Peru.

The moves, which were made possible after veteran senior Chinese leader Deng Xiaoping paid a visit to the corporation last May, are designed to help the corporation increase its annual steel output in Beijing to 10 million tons by 1994 and to complete construction of a steel complex with an annual output capacity of 10 million tons in Shandong Province in 1997, an official from the corporation said.

The two domestic firms added under the Shougang aegis were both under the China National Non-Ferrous Metals Corporation before the takeover. They are the No 4 Metallurgical Construction Company in Guixi County, Jiangxi Province and the No 10 Metallurgical Construction Company in Huayin County, Shaanxi Province, the official said.

After the takeover, the Shougang Corporation will be responsible for paying off debts and making up losses of the two firms while accepting all 16,000 employees of those two firms into Shougang's staff.

At the moment in China, the Shougang Corporation has 121 large- and medium-sized plants, in 16 industries, including machinery, electronics, finance and shipping. It also has 18 ventures abroad. The corporation's total employment is more than 200,000.

#### **State Council Grants Baoshan Group More Autonomy**

OW2011104092 Beijing XINHUA in English 0905 GMT 20 Nov 92

[Text] Shanghai, November 20 (XINHUA)—The Baoshan Iron and Steel Company (group) in this leading industrial city of China will start in 1993 to enjoy provincial status in state planning, with the recent approval of the State Council, the highest governing body of China.

The group is an industrial conglomerate. With the giant Baoshan Iron and Steel Complex as its backbone, it includes the No. 1 and No. 2 Motor Vehicle Plants, Shanghai Volkswagen Corporation and a number of metallurgical, machinery and electrical appliance factories as well as research institutes.

The move is aimed at further enabling the group to transfer its management mechanism, enhance its competitiveness in international market and build the group into a 10-million-ton iron and steel production base at the turn of the century.

In line with the program, the group is expected to enjoy more autonomy in investment in fixed assets, in direct use of foreign funds and in introduction of technologies from abroad, although it will still be under state macro control.

More than 20 enterprises in the group, including the Baoshan Iron and Steel Complex and the Baoshan Iron and Steel Metallurgical Construction Corporation, will be covered by the program.

### **Textile Industry To Reform Statistics Compilation**

*OW1911151392 Beijing XINHUA Domestic Service in Chinese 0656 GMT 18 Nov 92*

[By reporter Wang Liangjun (3769 5328 0193)]

[Text] Jinan, 18 Nov (XINHUA)—The national conference to discuss compiling production statistics of the textile industry closed in Jinan recently. The meeting, sponsored by the Textile Industry Ministry, made full preparations for helping people within the industry to correctly understand the market economy, changing institutional functions, and improving the current way of compiling statistics.

As a traditional production business, the textile industry has long been fettered by the thinking of a planned economy. Thus, the meeting specifically pointed out that the textile industry must profoundly restructure its planned management in the future. In other words, the industry must, in light of the principle of improving macroscopic control and decontrolling microscopic operations, compile its statistics based on economic parameters and not on quotas fixed by administrative orders. On the basis of reducing mandatory plans, the industry will further reduce planned quotas and reduce competent authorities' responsibilities in assessing enterprises' economic norms; it will seek a balance of the magnitude of value and not a balance of goods in kind; it will balance production on the basis of market needs and not on production capacity; it will improve and perfect the way of maintaining a regional balance and achieving a balance on the basis of market needs at home and abroad; it will improve the work of understanding the market and predicting its needs; it will make active efforts to nurture the market and perfect market operations; and it will divert control over the allotment of raw materials and supplies as before to exercising macroscopic regulation and control over the market, making sure that enterprises can compete on equal footing and that allotment of resources is more efficient.

The meeting also pointed out that the current market need for textile goods still exceeds output. Thus, next year's production of textile goods will still be planned according to the principle of "fixing output on the basis of market needs and exercising control over total output." It said that attention should be focused on improving product quality, increasing variety, achieving higher economic returns, and making sure that the inventory will not continue to grow.

As to how to compile the textile industry statistics, the meeting set forth these three requirements: First, statistics about quantities will be replaced by operating efficiencies; second, statistics should be openly compiled and not behind closed doors; and third, departmental

statistics will give way to statistics of various trades of the textile industry. The meeting also discussed how the textile industry can improve its method of compiling statistics.

### **State Property Administration Deepens Reform**

*OW1911101392 Beijing XINHUA Domestic Service in Chinese 0200 GMT 13 Nov 92*

[Text] Beijing, 13 Nov (XINHUA)—Applying conscientious study and implementation of the guidelines laid down by the 14th National Party Congress to its concrete work, the National Administration of State Property [NASP] has proposed that it is necessary to accelerate reform state property management system and pay close attention to exploring new methods and establishing a state property managing system suited to the socialist market economy.

The NASP has also called for doing a good job of checking state property, taking an inventory of it, and filing property right registrations, all in a timely manner. Successfully fulfilling these tasks will, on the one hand, enable the administration to ascertain the value of state property occupied by enterprises; affirm ownership of state property by the state, as well as the right of business operations enjoyed by enterprises that occupy and use state property; and lay a sound foundation for straightening out the relationship between the state and enterprises regarding property rights. On the other hand, it will enable the administration to determine the amount of state property enterprises are allowed to use in independently assuming civil liabilities as well as the enterprise's responsibility for preserving and increasing the value of state assets under its management. Only then can the state push the enterprises—legal entities that are responsible for their own decisions, profits, and losses and have to compete in the market—into market competition. Meanwhile, they should appraise the economic performance of enterprises on the basis of the amount of state property value they have occupied and supervise enterprises' fulfillment of their responsibility for maintaining and increasing the value of state property.

It is necessary to accelerate forming the laws and regulations governing the management of state property and expedite establishing a relevant system under the guidance of the 14th national party congress guidelines. The administration has proposed that it is necessary to pay close attention to formulating and revising the "Regulations on Managing State Property," start preparing for drafting the "State Property Law," and revolve efforts to formulate four supportive laws and regulations related to state property and to draw up measures for control over sales of state enterprise property rights to foreign businessmen around implementing the "Regulations Governing the Transformation of Operating Mechanisms of Industrial Enterprises Owned by the Whole People." The administration says that efforts must be made to have these regulations promulgated by the end of this year. The administration calls for vigorous efforts to

promote comprehensive reform of the management system for state property in Shanghai, Tianjin, Hainan, and Shenzhen on a trial basis and to explore experiences for finding new methods and establishing a new system of state property management.

**Survey on Nationwide Erosion Problem Reported**  
*OW1911090192 Beijing XINHUA in English 0226*  
*GMT 19 Nov 92*

[Text] Beijing, November 19 (XINHUA)—China now has a total area of 3.67 million sq km of eroded soil, according to a recent national survey done by remote-sensing technology.

Of this area, 1.794 million sq km suffers from water erosion, and the other 1.876 million sq m suffers from wind erosion.

The survey, which began in 1984, was made based on satellite pictures as well as on-the-spot studies. It also included grading the seriousness of soil erosion in the country.

Since the founding of the People's Republic of China in 1949 the country has controlled a total eroded area of 530,000 sq km.

The survey was conducted by the National Agricultural Regional Planning Committee and the Ministry of Water Resources.

**Transferring Water From South to North Studied**  
*OW1911090292 Beijing XINHUA in English 0119*  
*GMT 19 Nov 92*

[Text] Wuhan, November 19 (XINHUA)—The Chinese State Planning Commission is preparing a project to transfer water from south to north.

About nine-tenths of the rain in China falls in the south, and Chinese Government is going to build three channels to introduce water from the Yangtze River basin in the south to northern China, including the cities of Beijing and Tianjin.

A 1,241-km-long channel is to be dug from Danjiangkou Reservoir in the mountains between Henan and Hubei Provinces to Yuyuantan Lake in Beijing, passing along the west side of the north China plain.

Every year, 15 billion cu m of water will flow along the channel from the reservoir.

The funds for the project will be raised from cities and provinces benefiting from the channel.

The State Planning Commission sponsored a meeting in October this year at Danjiangkou, at which 63 officials and experts were present and passed the feasibility study for the project.



## East Region

### Editorial Urges Adhering to Central Task

OW1911111292 Nanjing XINHUA RIBAO in Chinese 8  
Nov 92 p 1

[Editorial: "Keep To the Central Task Without Wavering—More on the Study and Implementation of the 14th CPC National Congress Guidelines"]

[Text] The recently concluded 14th CPC National Congress unequivocally pointed out: "To adhere to the party's basic line, we must first and foremost persevere in economic development as our central task." This very important thesis profoundly explains the great significance of the central task, and has scientifically summed up the party's important historical experience in leading the modernization program. The people of Jiangsu, who are accelerating reform, opening up, and economic development, are determined to implement the party's basic line in an all-around way and to persevere in the central task.

The central task is based on our understanding of the principal contradiction in society. According to the theory on building socialism with Chinese characteristics, the principal contradiction in Chinese society at present is the contradiction between the people's increasing material and cultural needs, and the backward production in society. During the entire initial stage of socialism, the resolution of this principal contradiction is the "key" to resolution of all other large and small contradictions; and it has a direct bearing on the inclination of the hearts of the people, as well as on social stability and the country's future. In essence, keeping to the central task is keeping to the resolution of this principal contradiction. We once learned a profound lesson on this issue. In 1956, the Eighth CPC National Congress correctly analyzed the basic contradiction after the basic completion of socialist transformation and forwarded a correct line which defined the party's major task as concentrating on the development of productive forces. Unfortunately, the antirightist campaign suddenly broke out one year later, while the Eighth CPC National Congress report was still ringing in people's ears. Then, it was followed by more than 20 years of "taking class struggle as the key link," and the socialist cause suffered a great setback. The lesson is that the scientific thinking and correct line forwarded by the Eighth CPC National Congress were not implemented persistently, and the orientation changed in the face of storms. In view of this lesson, Comrade Xiaoping has, since the Third Plenary Session of the 11th CPC Central Committee, repeatedly emphasized that we must "as always," be "firm" and "stubbornly persevere without wavering" in keeping economic development as our central task. It was under Comrade Xiaoping's guidance that our party withstood rigorous tests, particularly the changeable international situation and major domestic turmoil in the late 1980's. Under such a situation, has the principal contradiction in our country changed at

present? Should economic development give way to other central tasks? People are not without misgivings over these questions. Fortunately, our party has always kept a clear head. Even after the 1989 political storm, the party continued to concentrate its attention on China's economic development. The emphasis the 14th CPC National Congress put on clinging to the central task was based on its clear understanding of the principal contradiction of the present stage.

Over last 14 years, the party has led the people in clinging to economic construction and developing the productive forces. It is the party leadership which has brought our economy to a new level three times, rapidly creating a better living standard for the people. Of course, the party has become the center of the people's hearts. In the final analysis, what the people fear is change in the central task. If the central task changes, our country will lose the foundation for prosperity and the people will lose their source of wealth. In emphasizing perseverance in the central task, the party has expressed the common, firm determination of the millions upon millions of people.

The 14th CPC National Congress report pointed out: "We must never waver in the central task, except in the case of a large-scale foreign invasion." No doubt, class struggle will exist in a certain area for a long time to come due to some domestic factors and international influence, and it can even intensify under certain circumstances. As things in the world are complex and the situation is changeable, we cannot predict everything. All sorts of problems can happen in the future, and we must soberly understand and correctly handle them. "We should sit tight in the fishing boat despite the rising winds and waves." We must not waver in the central task even when we have problems to solve. We must create even better conditions for people to concentrate on economic development.

Then, how can we persevere in the central task? On this question, the 14th CPC National Congress report has made a thorough exposition. We should comprehensively understand it and implement it in practical work.

To persevere in the central task, we must adhere to the "three-conduciveness" criterion. The 14th CPC National Congress report pointed out: "In the final analysis, the criterion for judging the success or failure of our work in various fields is whether it is conducive to developing the productive forces of our socialist society, to strengthening the overall capacity of our socialist country, and to improving the people's living standards." In essence, this is the same as the criterion of productive forces which we often talk about, and there must not be another criterion. For instance, we must not regard the following things as the criterion: the abstract principle on whether something is socialist or capitalist, the ready conclusion from a book, and any unrealistic or fantastic formula. In the final analysis, we must rely on the development of productive forces to fully display socialism's superiority and to constantly enhance the

attractiveness of socialism in China today. We must completely abandon the historical idealist concept and abstract discussion on whether something is socialist or capitalist, rather than whether it is conducive to the development of productive forces or not.

To persevere in the central task, we must ensure that the two basic points serve as the central task. "The purpose of adhering to the four cardinal principles, and persevering in reform and the open policy is to liberate and develop the productive forces to an even greater extent." This thesis in the 14th CPC National Congress report has clearly pointed out that the "two basic points" must be subordinate to and serve the central task, and be integrated with the building of socialism with Chinese characteristics. "Leftism" is very dangerous because it assumes a rigid view of the four cardinal principles, negates reform and opening up, obstructs the development of the productive forces, and advocates "class struggle as the key link" to impede economic development which is our central task. We must overcome both right and "left" interferences, particularly the latter. We must put the "two basic points" and the "central task" in the proper positions, and integrate the "two basic points" in the course of practice.

To persevere in the central task, we must also "take a two-handed approach and be tough in both." To persevere in the central task does not mean paying attention only to building material civilization. It is difficult to ensure the central role of economic construction without building spiritual civilization and doing other supportive work. At present, the tasks of reform, opening up, and modernization are forcefully urging Chinese people to emancipate their minds and enhance their vigor. These tasks also require us to build spiritual civilization to provide better theoretical guidance, mass media, values, and a cultural and social environment. We should take the opportunity to build spiritual civilization, make great efforts to develop education, accelerate scientific and technological progress, improve theoretical education, and step up cultural construction. We should improve the work of journalism, publications, radio, television, literature, and art. We should train new generations of people with lofty ideals, moral integrity, education, and a sense of discipline; and provide the motivation and intellectual support for economic construction, reform, and opening up.

All party members and all the people of Jiangsu have the fine tradition of working hard for economic development, as well as the desire to take the opportunity to develop this province. The cadres of this province, with a knowledge of economics, are greatly interested in economic work and are vocationally capable. These are good conditions for us to cling to the central task. However, they are not yet enough. We should know that persevering in economic development as our central task is an alterable concept with different contents in different periods. Our central task now and in the days to come is economic construction under socialist market economic conditions, not economic construction under

the conditions of a unified planned economy. With such an historic change, what we are familiar with has become or is about to become useless, and we are getting more and more work with which we are not familiar. For this reason, our old experience is not enough to deal with the current central task despite our aspirations. In light of new demands, we must restudy, constantly bring forth new ideas, and keep making progress to improve our understanding, management system, and leadership. So long as we make arduous efforts in this regard, we will be able to perform the central task more effectively and implement the party's basic line in an all-around way.

**Shanghai Mayor Speech on Reform, Opening Up**  
*OW201111792 Shanghai WEN HUI BAO in Chinese*  
10 Nov 92 p 1

[Unattributed report on speech by Mayor Huang Ju to the 28th meeting of the municipal government: "Bringing Economic Development to a New Level, Making New Breakthroughs in Reform and Opening Up to the Outside World, and Bringing About New Changes in the City's Appearance"]

[Text] Mayor Huang Ju yesterday presided over the 28th routine meeting of the municipal government. The main item on the meeting agenda was implementing the 14th CPC National Congress guidelines, continuing consolidating and developing existing achievements, fulfilling the objective of bringing about a change every year, and making preparations for bringing economic development to a new level, making new breakthroughs in reform and opening up to the outside world, and bringing about new changes in the city's appearance next year.

Since the beginning of this year, Shanghai, in accordance with the requirements of bringing economic development to a new level at a quicker pace and in a better way and of building a socialist market economy, has accelerated the pace of reform and opening up. As a result, an excellent economic situation that has not been witnessed in many years has emerged. It is estimated that the annual major economic indexes will register considerable increases over those set at the beginning of this year. Of late, the municipal government has been making serious efforts to fulfill in an all-around way the tasks set by this year's plan for national economic and social development and to make plans for next year's work in an attempt to maintain the momentum of a high economic growth rate.

At the meeting, Mayor Huang Ju spoke on how to make arrangements for this year's next year's work. He said: This year, we must fulfill in an all-around way the tasks set by the national economic and social development plan. At the same time, we must strengthen macroeconomic control and adjust the investment structure. We must be firm in not exceeding the limitations regarding investments and loans. We must invest in key projects,



overfulfill the plan of withdrawing currency from circulation, keep the price rise index below 10 percent, and consolidate and improve the real estate market and shareholding experiments to ensure the national economy's sound development.

On this year's work, Huang Ju said: The priority task for us at present is to improve transportation and alleviate the contradiction of "difficulty in transportation." This is an important task for the municipal government in the fourth quarter of this year. Departments concerned should foster a viewpoint of overall and long-term interests and conscientiously implement the municipality's measures for improving transport by integrating the interests of departments and regions, integrating coordination with the implementation of the responsibility system, and effectively handling traffic problems. Next, we must make sure that the people have a secured life. At year's end, we should pay comfort visits to retired personnel and staff members and workers to help them tide over their livelihood difficulties. We must strengthen leadership and adopt effective measures to complete the task of helping households with housing problems. In anticipation of severe cold and foggy weather which may occur at the end of this year and the beginning of next year, we should make early preparations and introduce the responsibility system at different levels to ensure that the people of the whole city pass through the winter safely. Third, we should strengthen the management funds and allocate them on a priority basis to ensure that there will be enough money to purchase farm and sideline products, enough money for budgetary investments in fixed assets, and that enterprises dealing in materials will have enough money to buy the means of production for the fourth quarter of this year and next year. We should support the construction of the Pudong New Area, the development of tertiary industries, and the industrialization of new and high technology. We should strictly control the increase in unpaid debts for delivered commodities to prevent a further increase in debts among enterprises. We should strictly control the use of loans to prevent them from being used in stock and real estate businesses.

Huang Ju pointed out: This year, we should adopt effective measures to limit production, reduce stockpiles, and promote sales; we should step up preparations for reforming the social insurance system. On the basis of making investigations and studies and summing up experiences, we should strive to stabilize, improve, and standardize markets and strengthen control of market prices. We should draw up specific measures for building a clean government.

Touching on work in the first quarter of next year, Huang Ju pointed out: We should make early arrangements to secure and store materials and energy resources; we should step up drawing up a plan for developing tertiary industries. We should prepare, balance, and regulate construction funds and step up the construction of family relocation areas so as to facilitate

municipal development. We should make plans for constructing water conservancy projects and for agricultural production; map out a new taxation system for Shanghai to meet the needs of building a socialist market economy; do a good job in promoting the transition of the management system for the Pudong New Area; and make preparations for accelerating its development. We should strengthen building a spiritual civilization and strive to simplify the administration, to encourage industriousness, and to build a clean government.

When turning to next year's municipal economic work, Huang Ju stressed the need to maintain the following five momenta and to accelerate the following five paces. The five momenta are: high economic growth; speeding up urban infrastructure construction; maintaining the lead in deepening reform; speeding up Pudong development; and greatly increasing the utilization of foreign capital. The five paces that require acceleration are: quickening the change of government functions and the transformation of operating mechanisms at large and medium enterprises; quickening development of the tertiary industry; quickening the industrialization of high and new technology; increasing exports and making the economy more export-oriented; and improving urban management.

Huang Ju said that when studying and arranging work for next year, it is necessary to proceed from the spirit of studying and implementing the 14th CPC National Congress guidelines, from considering the requirements for establishing a socialist market economy structure, and from considering the assumption of a leading role in developing the economy in areas along the Changjiang basin. It is also necessary to study, recognize, and correctly handle the following relationships: between the speed of economic growth and the driving force of economic growth; between the establishment of a commodity market and the development of a production factor market; between accelerating urban construction and expanding channels to pool funds; between sustained and stable economic growth and the influence caused by cyclic economic fluctuations; between the disposal of resources and the state's regulation of the economy; between the progress achieved through science and technology and the readjustment of the industrial structure and the promotion of economic development; and between efforts to increase exports and to make the economy more export-oriented and reform and economic development. In arranging next year's work, one should emancipate the mind, seek truth from facts, take new approaches, and plan in a down-to-earth manner. To ensure the economy reaches another new level, resourcefulness and new measures are also required in planning next year's work.

At the meeting, Vice Mayor Xu Kuangdi transmitted the guidelines set forth at the recent national working conference on accelerating the development of tertiary industry. Vice Mayor Xia Keqiang briefed the meeting participants on the work to improve traffic conditions in the municipality during this winter and next spring.



Vice Mayors Gu Chuanxun, Liu Zhenyuan, Xie Lijuan, and Zhao Qizheng; responsible persons from municipal government commissions, offices, and bureaus; as well as responsible persons from the district and county governments attended yesterday meeting.

### **Shanghai Officials Inscribe New English Newspaper**

HK1911155292 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1401 GMT 19 Nov 92

[Text] Beijing, 19 Nov (ZHONGGUO XINWEN SHE)—The first comprehensive local English newspaper to appear in the mainland since the initiation of reform and opening up, SHANGHAI STAR (Shanghai English Star [SHANGHAI YINGWEN XINGBAO 0006 3189 5391 2429 2502 1032] in Chinese), will officially start publication on the 20th after a trial run of seven issues.

To celebrate the inaugural publication of SHANGHAI YINGWEN XINGBAO, Wu Bangguo, Shanghai Municipal CPC Committee secretary, wrote an inscription for the paper: "Let the star of Shanghai rise from the Pacific Ocean."

Shanghai Mayor Huang Ju's English inscription for the inaugural publication of the newspaper reads: "I hope the newly born SHANGHAI YINGWEN XINGBAO will give the world better coverage of Shanghai's latest developments and will record Shanghai's footsteps on the way to modernization."

In the initial publication period, the newspaper is tentatively set to issue one edition every Friday. Each edition will consist of 16 quarto-size pages, 10 of which—apart from political, social, and economic news—will concentrate on reports of the investment environment and the status of opening up and economic construction in Shanghai and in open cities along Changjiang. There will be special sections on the Shanghai New Pudong District, economic and technological development zones, provinces and cities in east China, and banking and stock markets. Six pages are to be devoted to tourism, culture, and entertainment news. The newspaper will gradually adjust and further improve the page layout and reportage based on readers' suggestions.

### **Zhejiang Stresses Deng's Theory in Party Building**

OW2011104692 Hangzhou ZHEJIANG RIBAO in  
Chinese 4 Nov 92 p 3

[Article by Gong Baisheng (7895 4101 3932) and Yang Zhonglin (2799 0112 2651): "Use Socialist Theory With Chinese Characteristics To Build the Party"]

[Text] The 14th CPC National Congress confirmed the leading position of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics. Studying and grasping this theory and using it to arm the

whole party is the party's fundamental mission in ideological construction during the new period of reform and opening up.

Lenin said: "Only when a party is under the guidance of advanced theory can it fulfill its role as an advanced warrior." Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics is a product of the integration of the basic tenets of Marxism-Leninism with the concrete practice of contemporary China and the characteristics of the times; it inherited and is developed from Mao Zedong Thought, and is the crystallization of the collective wisdom of the party and the people throughout the country. It undoubtedly constitutes the most scientific and advanced theoretical system that has ever been developed on the soil of modern China. Using this theory to arm the party and unify its ideology is vital to maintaining the party's superiority, strengthening its cohesiveness, and completing its great mission. At present, and for some time to come, we must work very hard to uphold and practice this theory to open up new prospects for party construction and for building socialism with Chinese characteristics.

We need to make vigorous efforts in many areas to arm the whole party with the theory of building socialism with Chinese characteristics. First of all, we must have a full understanding of the important historical meaning of this theory. We know that Marx and Engels created the theory of scientific socialism. We know that Lenin successfully led Russia's October Revolution to victory, thereby turning the theory of scientific socialism into reality and founding the first socialist country in the world. Proceeding from China's reality, Comrade Mao Zedong pioneered the revolutionary road of encircling the cities from the rural areas and led the Chinese Revolution to victory. He also successfully established the socialist system in China, a large country in the East. But how can we successfully carry out socialist construction in light of the country's conditions after the seizure of political power, and set up a socialist system? This question has not yet been satisfactorily answered in socialist countries. Some socialist countries have paid a painful price for this failure. During the 30 years since our country's founding, we have made great achievements in socialist construction, but we have also had certain serious setbacks. Since the Third Plenary Session of the 11th CPC Central Committee, Comrade Deng Xiaoping, with the foresight, sagacity, rare gifts, and bold strategy of a great proletarian revolutionary, and by drawing from past positive and negative lessons in socialist construction at home and abroad, has forwarded the theory of building socialism with Chinese characteristics; established the basic line of "one central task, two basic points"; and blazed the road of building socialism with Chinese characteristics. In only 14 years, the cause of our socialist construction, guided by the theory and line of building socialism with Chinese characteristics forwarded by Comrade Deng Xiaoping, has obtained huge success, an accomplishment recognized by the whole world. We have made major progress in

developing the economy, improving the people's living standards, and increasing overall national strength. We can say without exaggeration that these 14 years were a period in which our economic growth was the fastest and the people profited most. Practice has shown that Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics is the latest result of integrating Marxism with China's practice, and it is a powerful ideological weapon for us to push the cause of building socialism with Chinese characteristics forward.

To arm the whole party with the theory of building socialism with Chinese characteristics, we also need to profoundly understand the importance of this theory as a guide for our work. Comrade Deng Xiaoping's theory was brought forth to meet the needs of the times during our country's historic changes, and it embodies the distinct features of this era. It is a straight forward guide for reform, opening up, and modernization through its very profound exposition on a series of crucial questions of theory and practice, such as the road to socialism; the stages of its development; its fundamental task; the motive force of socialist development; forces that lead building socialism and forces that are relied on; the external conditions and the political guarantee for socialist construction; and the motherland's reunification. By persistently using this theory to arm the whole party, we will be able to correctly understand and deal with the various contradictions occurring in reform and construction, and with the various complicated relationships between political and economic construction; between building material and spiritual civilizations; and between keeping vigilance against rightist deviation and guarding against "leftist" deviation. We will also be able to ensure that our reform and construction will develop soundly along the correct track and that we will not waver in upholding the party's basic line for 100 years.

Arming the whole party with this theory means studying it hard and applying it successfully. First, we must make an effort to study it. At present, all party members and cadres must give top priority to studying Comrade Deng Xiaoping's theory. We must have a complete and correct comprehension of it, and truly grasp its spirit and essence. We must emulate his strategic thought, theory, and viewpoints; as well as his scientific attitude and creative spirit in applying the Marxist stand, viewpoints, and methods to studying new situations and solving new problems. We must emulate his good grasp of the feelings of the broad masses of people and his ability to summarize their creations; seize the opportune momentum of the times; and emulate his revolutionary boldness and theoretical courage in timely and decisively raising issues from a strategic point of view.

Second, we must work hard to apply his theory. We must not only study but also apply it in our practical work. Emancipating the mind and seeking truth from facts are the essence of Comrade Deng Xiaoping's theory of

building socialism with Chinese characteristics. Accordingly, we must further emancipate our minds and persistently seek truth from facts when we study it. Right now, during the period of reform and construction, we must have a pioneering spirit, and boldly explore and experiment; and we must creatively conduct our work to make progress in every field of endeavor. We must further change our concepts and free ourselves from book worship and dogmatic interpretation of certain Marxist principles; from unscientific understanding or even misunderstandings of socialism; and from incorrect ideas that go beyond the primary stage of socialism. We must more consciously employ the dialectical and historical materialist world outlook to analyze and solve problems. We must make ideology suitable for the developing and changing situations. The party's basic line is formed under the guidance of the theory of building socialism with Chinese characteristics, and at the same time, it constitutes the heart of this theory. Therefore, the ultimate goal of studying Comrade Deng Xiaoping's theory is to raise our determination and consciousness in carrying out the party's basic line. We must, through study, firmly establish the ideology of making economic construction the central task; unswervingly carry out reform and opening up; and make constant efforts to improve and develop the socialist system to regain its vigor and vitality.

### Central-South Region

#### Guangdong Party Secretary Inspects Eastern Area

HK1911144092 Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT 17 Nov 92

[Text] No sooner had the eighth plenary session of the sixth provincial party committee—which aimed at implementing the 14th party congress' spirit and expediting Guangdong's modernization construction—ended, than Comrade Xie Fei went to east Guangdong. From 7 to 14 November, he inspected the four cities of Shantou, Chaozhou, Jiayang, and Shanwei. Xie Fei fully affirmed the measures the cities and counties had taken to firmly grasp the central task of economic construction and said that they never wavered in tackling difficult problems. Based on the current development trend, he thought that east Guangdong's economic invigoration is full of promise. When both the eastern and western parts of Guangdong have risen in development, the whole province is more likely to realize the goal of modernization and development. The construction craze in east Guangdong concentrates on strengthening the infrastructure. The great bridge across the harbor in Shantou—one of the eight major projects in the city—and its 1.2 million kw coal-driven power plant, Raoping County's (Sanba Luan) pier, and Shanwei's (Xincheng) power plant with its two 5,000-tonne berths are under rapid construction.

Xie Fei inspected each of these projects. Wherever he went, he stressed the need to grasp overall planning and carry out feasibility studies. He said that, when decisions

are made, they must be earnestly carried out, that, when there is no speed, there is no efficiency, and that a hesitant and lackluster work style will make us miss good opportunities.

Xie Fei expressed his belief that agriculture in Chaozhou and Shantou areas has the tradition of cooperative spring plowing, and that it is necessary to further tackle the problem of three fen [0.3 mu] of farmland per capita. It is necessary to promote high-quality seeds and good methods; to follow the high-output, -quality, and -efficiency road; and to develop science- and export-oriented agriculture.

Developing modernized industries in east Guangdong is an urgent task. Shantou's (Dahou) zone, Chaozhou's development zone, Raoping's Taiwan Investment Experimental Zone, and Jieyang's experimental economic development zone all attach great importance to imports of capital, technology, and personnel, with a view to transforming traditional industries.

Xie Fei's inspection visit to these localities fully affirmed the method of establishing lateral associations at home and importing technology and funds from abroad to develop industry here. He pointed out that the eastern and western parts of the province should look at how far they lag behind the Zhujiang Delta, and they should learn from the delta's experience in expanding opening up to the outside world, meeting the needs of the market economy, proceeding from reality, and forming their own pillar industries and competitive products.

When summing up the experience in economic development with the local leaders, Xie Fei repeatedly mentioned that Guangdong's experience in rapidly developing the economy has many facets, but two are the most important: First, the market, and, second, opening up. From now on, when east Guangdong seeks development—and when the entire province seeks development—it is still necessary to strive for new breakthroughs in these two areas. He hoped that east Guangdong and the entire province would have more markets which will be able to serve the whole country. He pointed out that east Guangdong has many people and little land, and this makes the development of tertiary industry a more urgent task. Selecting the construction of the market system as the breakthrough point—to stimulate other aspects of tertiary industry and promote primary and secondary industries—is an important way to build the socialist market economy system.

When talking about the problem of building the socialist market economy system with the leadership groups of various cities, Xie Fei stressed the need to meet the operational demands of the market economy, emancipate the mind, change concepts, and improve work style. He demanded that leadership groups of various levels work together, think and act courageously, wholeheartedly carry out economic construction, seek benefits for

the masses' hearts and souls, live up to the people's expectations, and grasp the good opportunity.

### **Shenzhen People's Congress Elects Li Youwei Mayor**

*OW1911142392 Beijing XINHUA in English 1355 GMT 19 Nov 92*

[Text] Shenzhen, November 19 (XINHUA)—The fourth meeting of the first Shenzhen Municipal People's Congress today elected Li Youwei as the new mayor of Shenzhen city—which has pioneered the opening drive and become the most developed special economic zone in China.

Li Youwei is 54 years old and in December 1990 was elected the chairman of the standing committee of the Shenzhen Municipal People's Congress. Li resigned from this position at today's meeting.

Li Youwei is an alternate member of the Central Committee of the Communist Party of China (CPC), and he is also a Standing Committee member of the Guangdong Provincial Committee of CPC.

The former mayor of Shenzhen—58-year-old Zheng Liangyu—resigned on November 17 at the same meeting.

### **News Conference Reported**

*HK2011082692 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0745 GMT 19 Nov 92*

[By reporter Wang Min (3769 2549) ]

[Text] Shenzhen, 19 Nov (ZHONGGUO TONGXUN SHE)—At a news conference today, Li Youwei, the new Shenzhen mayor elected at the Fourth Session of the First Shenzhen City People's Congress, talked about the relationship between Shenzhen and the central authorities, Guangdong Province, and Hong Kong.

Li said: As a city specially designated in the state plan, and a city under the provincial government's jurisdiction, Shenzhen has always been cared for and led by the central authorities and the Guangdong Provincial CPC Committee and Government. In the future, in its relations with the central authorities and the Guangdong Provincial CPC Committee and Government, Shenzhen should strive to "ask for more instructions, submit more reports, show more respect, and make more effort at coordination." At the same time, it also hopes that the central authorities and the Guangdong Provincial CPC Committee and Government will "show more concern and understanding and give more support and help." Li said: The Guangdong Provincial CPC Committee and Government are very much concerned with the Shenzhen Special Economic Zone. On the issue of changing Baoan's administrative structure, both have given us energetic support by writing two reports to the central authorities. Meanwhile, taking Shenzhen's future development into consideration and to solve its water



problem, they have also agreed to increase, by the year 2000, the volume of water which Shenzhen diverts from the Dong Jiang in six places.

On the relationship between Shenzhen and Hong Kong, Li Youwei said: Shenzhen and Hong Kong are as closely related as lips and teeth. They share weal and woe, benefiting each other and developing together. Shenzhen has benefited from Hong Kong in its development in the past decade and it is hoped that Shenzhen will go on benefiting from Hong Kong in its future development and attain common prosperity.

### **Hainan Governor on Economic Development Prospects**

*HK1911140092 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1214 GMT 30 Oct 92*

[Report on interview with Liu Jianfeng, CPC Central Committee member and Hainan governor by reporter Mo Chengxiong (5459 2052 7160), in Hainan Provincial Government Building, 30 October: "Series of Interviews With Political Figures—Expedite Reform, Opening Up, and Economic Development"]

[Text] [no dateline as received] "Expediting reform, opening up to the outside world, and economic development is now the key mission of primary importance for the Hainan Special Economic Region [SER]. As long as we conscientiously put into practice the 14th CPC National Congress guidelines, Hainan will be full of promise and will certainly boost the economy and bring about socialist modernization within 20 years," said Hainan Governor Liu Jianfeng, who was recently elected a member of the CPC Central Committee, when he was interviewed by this reporter at his office on the eighth floor of the provincial government building today.

This was the second time that Liu Jianfeng had attended the CPC National Congress. He said: The 14th Party Congress officially proposed, for the first time, that the principal objective of China's economic structural reform is to institute a new system of socialist market economy. This is a great breakthrough in both theory and practice. Since Hainan was upgraded to provincial status and approved as a SER nearly five years ago, all the major reforms, such as the institution of the market system; price reform; institution of the social insurance system; practicing small government in a huge society; and the equal competition and common development of various economic sectors have been essentially conducted for developing market economy. Practice has proved that whenever we are engaged in market economy, the economy is invigorated and develops rapidly. Hence, Hainan's economy has developed and the people's living standards have been enhanced during the past five years. However, we must not feel complacent about the present achievements. Instead, we must increase our confidence and go all out to develop Hainan's economy even faster.

Liu Jianfeng, 56, was born in Ninghe County, Tianjin. He went to the Soviet Union in 1956 to study semiconductors at Kiev Engineering College. He was vice minister of the state's Ministry of Electronic Industry in 1984 and took up the post as deputy secretary of Hainan provincial party committee in April 1988, assisting Secretary Xu Shijie in his work. He has been Hainan governor since 1989.

"We will revise Hainan's Eighth Five-Year Plan and 10-Year Program and work out a plan which will be more advanced, open, and use a faster development pace. Hainan now lags behind the Zhu Jiang Delta, Chang Jiang Delta, and Bohai Gulf regions yet, judging from the enthusiasm of cadres and masses throughout the province and the foundation in Hainan, we have every reason to have the confidence and courage to catch up from behind," Liu told this reporter.

Touching on the next step in Hainan's work, Liu emphatically pointed out: Hainan will attach great importance to the word "acceleration." This means we will accelerate reform, opening up, and economic development; and all our work will revolve around and serve the center of economic construction. To this end, cadres and masses throughout the province must: Thoroughly emancipate their minds, unite as one, and work energetically; further deepen and accelerate reform focused on the institution of the socialist market economy; intensify the construction of infrastructure facilities; rectify social security and order to create a favorable investment climate; transform government functions; simplify administration; delegate power to lower levels; and improve efficiency in handling affairs. In the meantime, we will administer the SER by the legal system, support and protect the reformists by law, and allow them to commit and correct mistakes.

Talking about the difficulties in developing Hainan, Liu maintains that the greatest difficulty at present is the lack of funds. Since it became a province, Hainan has injected more than 13 billion yuan into development construction, but this is not enough. At the present, the most important issue is to manage to import large amounts of domestic and foreign capital within a short period of time and take the initiative in attracting investors in a planned and well-arranged manner and in inviting large conglomerates at home and abroad to invest in Hainan. At the same time, we will train and import talented personnel, import advanced technology, and enhance people's quality; this should be taken as a considerably important duty.

With regard to the issue of establishing a special tariff zone, Liu Jianfeng said: The idea is based on the fact that Hainan has a relatively developed and perfect model of market economy and, therefore, has the necessary conditions for establishing a special tariff zone. This is a way for Hainan to open wider to the outside. In this connection, Hainan must strive to create conditions in the hope of gaining the approval of the central authorities as early as possible. But, we must not just sit and wait. We must

do what can be done now. The policies granted Hainan by the central authorities must be implemented properly, sufficiently, and flexibly; and we must be bold in making experiments so long as they are not explicitly prohibited. On the other hand, we must not give up our efforts in other fields, such as the establishment of a bonded zone, various kinds of development zones with large stretch of land similar to Yangpu, and so on.

### Southwest Region

#### Official Invites Foreign Reporters To Visit Tibet

HK2011061792 Hong Kong AFP in English 0558 GMT 20 Nov 92

[Text] Beijing, Nov 20 (AFP)—Tibet is inviting foreign correspondents to Lhasa to see and report on the restoration of the Dalai Lama's palace, a vice chairman of the regional government said Friday.

"With the completion of the third phase of the Potala Palace's restoration, we warmly invite you and your friends to Tibet to visit and report on Potala Palace," Gying Puncog Cedain told a news conference here.

The Tibetan government has failed to approve visits by foreign reporters despite an announcement in August that the region was to have an "all-round opening to the outside world."

Under Chinese regulations, Beijing-based foreign correspondents who want to report outside the capital must first apply and receive permission from local government authorities.

"There will be opportunities. Just apply through the normal channels," Gying Puncog Cedain said when pressed on whether his government's policy toward journalists had changed.

The vice chairman did not say if all reporters would be welcome or when their visits would be approved.

Potala Palace was home to Tibet's spiritual and temporal leader, the Dalai Lama, before he fled to exile in India in 1959 after a failed uprising against Chinese rule.

The region has since been wracked by a Buddhist independence movement with major riots, the latest in March 1989, put down by the Chinese army.

The Chinese central government had earmarked 40 million yuan (7.3 million dollars) to restore the gilded 17th century palace, the political and religious seat of the Tibetan nation.

The work was begun in 1989 with the fourth and last phase scheduled to end in 1993, the vice chairman said.

But restoration work not planned for in the original budget will push the completion date to 1994 and require an additional 20 million yuan (3.7 million dollars), he said.

#### XIZANG RIBAO Stresses Economic Construction

OW2011093492 Lhasa Tibet Television Network in Mandarin 1200 GMT 18 Nov 92

[Announcer-read report on 18 November XIZANG RIBAO commentator's article: "Persevere in Economic Development As Our Central Task;" from the "Tibet News" program]

[Text] The article says: Comrade Jiang Zemin expounded in his report to the 14th CPC National Congress: Class struggle is no longer the principal contradiction of socialism in our country, and economic development has become our central task. We must never waver in it, except in the case of a large-scale foreign invasion. His exposition not only reiterates the necessity of the strategic policy shift decided by the Third Plenary Session of the 11th CPC Central Committee, but also summarizes the rich experiences in effecting the shift over the past 14 years, revealing the party's awareness of its sacred mission. In studying and implementing the 14th congress guidelines, we should further comprehend this exposition, adhere to the party's basic line, persevere in economic construction as our central task, accelerate the pace of reform and opening up, and advance the cause of building socialism with Chinese characteristics.

The article says: In adhering to the party's basic line, first and foremost, it is necessary to attend to the central task of economic construction. Practice testifies that this is a truth which conforms to national conditions and popular feelings, and which can make the country strong and the people prosperous. Marxists attach great importance to developing productive forces. The reason that socialism is superior to capitalism lies in the former's vision for expanding productive forces. Should we fail to expand productive forces and develop the economy expeditiously, socialism will be devoid of conviction and we will encounter tremendous difficulties in consolidating the socialist system and maintaining long-term order and stability in the country. This is a major economic as well as political issue.

The article says: Adherence to the central task of economic construction also epitomizes the incisive summation of our party's historical experiences. On the basis of a scientific analysis of major contradictions in the country, the 1956 Eighth CPC National Congress decided that the main task of the people across the country was to concentrate efforts to develop social productive forces. Regrettably, this significant guiding principle was not implemented for long, thereby letting a precious opportunity for economic construction slip. From now on, except for unrest on a regional scale to the detriment of social stability in Tibet, we shall persevere in economic construction as our central task at all times and under all circumstances. All sectors, departments, and units should unconditionally and conscientiously subordinate their work to serving this central task and help promote economic construction; they should not

deviate from nor interfere with this central task to hinder economic development, seeing to it that everyone works wholeheartedly to promote the regional economy.

The article says: By further emancipating minds in accelerating the pace of reform and opening up, we can effectively boost the development of productive forces and push economic construction forward. This is the only way for the people of all nationalities in Tibet to realize common prosperity. We should arm our minds with the theory of building socialism with Chinese characteristics, and always proceed from regional conditions in strengthening the intensity of reform and the extent of opening up. We should resolutely eliminate any leftist ideas, conventional concepts, and economic practice that impedes the development of productive forces. We should not shackle our minds and actions with abstract polemics over whether a measure is surnamed socialist or capitalist, but should boldly explore and experiment with measures so long as they conform with the 14th congress guidelines and the criterion of the three causes [developing the productive forces of socialist society, increasing the overall strength of our socialist country, and improving the people's living standards]. Only by doing so will we be able to continuously broaden the path for reform and opening up, and accelerate the development of productive forces in Tibet.

The article says: In attending to the central task of economic construction, it is necessary to pay close attention to key measures for developing the economy. The key to rejuvenating the economy lies in invigorating science and technology—the primary productive forces. Relying on scientific and technological progress to further liberate and expand productive forces is essential for raising the quality and efficiency, quickening the speed, and building the stamina of the regional economy; and this is a very important principle for persevering in economic construction as our central task. Leading cadres at all levels should go down to the frontline of industry, agriculture, animal husbandry, and commerce to conduct investigative studies and offer all kinds of guidance for solving problems. Particular attention must be paid to solving major ideological and practical problems having a bearing on the overall situation. Only by making a penetrating, meticulous, and solid effort will we be able to achieve substantial progress in economic development. While studying and implementing the 14th congress guidelines, cadres and the masses throughout the region should achieve genuine unity in thinking, understanding, and action; constantly attend to the central task of economic construction; and work hard with one heart and one mind to push the regional economy and endeavors in all other fields forward as fast as possible.

#### **Yunnan Secretary on 14th CPC Congress Spirit**

*HK1911125992 Kunming Yunnan People's Radio  
Network in Mandarin 1000 GMT 9 Nov 92*

[Excerpts] The eight-day Yunnan Provincial CPC Committee party-member cadre meeting concluded in Kunming today. The meeting called on party-member cadres

and masses of the whole province to conscientiously study the 14th party congress' spirit, further emancipate minds, unify understanding, seek truth from facts, make genuine efforts and do substantial work, promote great liberation in productive forces with ideological emancipation, and work and struggle for moving our province's economic construction to a new stage.

At the meeting's conclusion, provincial party Secretary Pu Chaozhu gave a speech in which he said: The study and implementation of the 14th party congress' spirit requires that we further emancipate our minds and profoundly understand the revolutionary significance of reform, which is not of the kind that sets out to change the socialist nature or meticulously patches up and remedies the original economic structure's imperfections. Revolution demands that we smash all the shackles that are impeding the development of productive forces and is aimed at liberating and developing social productive forces. Only by treating reform as a revolution can we have the necessary courageous and bold mentality and energy to venture forth and pioneer, taking risks and taking the lead, and can we produce self-consciousness and initiative for emancipating ourselves. We must defend materialistic dialectics and oppose bookish and doctrinaire ideology, jointly emancipate our minds, and take the "three favorable's" as the criteria for telling truth from falseness and promoting the development of productive forces. [passage omitted]

On ways to implement the 14th party congress' spirit, Pu Chaozhu demanded that we conscientiously grasp well two things. One, doing a good job in the three-level cadre meetings which take county party committees as the center; use this kind of meeting to train cadres, and fully and thoroughly implement measures; and organize sessions of combining theory with practice for party and government leading cadres at county-, township-, and village-level to help them study well the 14th party congress' spirit. Two, genuinely organizing well the large-scale discussion of emancipating ideology and achieving the comparatively well-off level. Through discussion, we can: Arm the masses with the 14th party congress' spirit; overcome the practice of doing nothing but wait, the attitude of finding everything difficult, and the habit of complaining; strengthen awareness of reform, the market economy, and science and technology; adopt measures suitable to local conditions; give play to our strong points and overcome weak points, and formulate plans and measures for achieving the comparatively well-off level; do substantial work in a down-to-earth manner with a view to achieving practical results; and we can organize peasants into throwing themselves into work. [passage omitted]



## North Region

### Beijing Mayor Chen Xitong Meets With IOC Member

OW1911160392 Beijing XINHUA in English 1528  
GMT 19 Nov 92

[Text] Beijing, November 19 (XINHUA)—Chen Xitong, mayor of Beijing, said that China will spare no efforts to win the bid for hosting the 2000 Olympic Games in the capital city.

Chen made the statements in his meeting with the visiting International Olympic Committee [IOC] member Louis Guirandou-N'Diaye of Ivory Coast here on Thursday.

Chen, who is also the president of the Beijing 2000 Olympic Games Bid Committee, told the visitors that IOC and the Olympic movement are highly respected in China.

"Beijing's Olympic bid demonstrates that the Chinese people are willing to make their contributions to the spreading of the Olympic spirit," he added.

Guirandou-N'Diaye, an IOC member since 1969, is on his third visit to China.

### Hebei Completes Construction of Huanghua Dam

SK2011003292 Shijiazhuang HEBEI RIBAO in Chinese 25 Oct 92 p 1

[Summary] The first stage of the dam of Huanghua Port, which covers 6,273 meters, was completed a few days ago. This dam is 3 meters high, 6 meters wide at the top, and 38 meters wide at the bottom. A total of 300,000 cubic meters of stone was used and 40 million yuan in investment were consumed for this project. The Huanghua Port is being built in three stages. At the first stage, the port will have an annual ship loading capacity of 30 million tons; at the second stage, the loading capacity will reach 60 million tons; and the third stage, the capacity will reach 100 million tons. At the first stage, four 35,000-ton-class berths will be built, which will consume an estimated investment of 2.4 billion yuan.

### Inner Mongolia Evaluates Petrochemical Development

SK2011045092 Hohhot NEIMENGGU RIBAO in Chinese 11 Nov 92 p 1

[By reporter Zhang Zhedong (1728 0772 2767): "The Autonomous Region Evaluates Petrochemical Industrial Development Plan"]

[Text] The autonomous regional government held a meeting on 10 November to evaluate the regional petrochemical industrial development plan for the Eighth and Ninth Five-Year Plan periods. Gu Xiulian, minister of chemical industry, and Wang Qun, Bu He, Wu Liji, Bai

Enpei, Zhang Cangong, Liu Zuohui, and Song Zhimin, regional leaders, attended the meeting. Others invited to the meeting were leaders, experts, and scholars of the State Raw and Processed Materials Investment Corporation, the China International Engineering Consulting Corporation, the China National Petroleum Corporation, the People's Construction Bank of China; relevant planning, designing, prospecting, scientific research, and engineering units; and schools of higher learning. Liu Zuohui chaired the meeting, and Bu He delivered a speech.

Chairman Bu He said in his speech: This meeting is the first ever held by Inner Mongolia in many years to appraise the plan for a certain industry and a major event in the region's economic development. Inner Mongolia enjoys exceptional advantages in the development of the petrochemical industry. It has abundant resources of minerals of all kinds, of which coal, petroleum, natural gas, pyrites, natural soda, salt, and mirabilite boast large reserves and good mining conditions which are rare in the country. In addition, the deposits are concentrated, which is good for large-scale mining; and the mining cost will be low. The verified reserve of coal totals 198.2 billion tons, ranking second in the country; petroleum resources are expected to reach 2 billion tons; the perspective reserve of natural gas is expected to be 150 billion-500 billion cubic meters; the industrial reserve of pyrites, which has many associated nonferrous metals, is 58 million tons, ranking third in the country; the industrial reserve of natural soda is 17.26 million tons, ranking second; the industrial reserve of salt is 120 million tons, ranking third; and the industrial reserve of mirabilite is 122 million tons, ranking second. To develop Inner Mongolia's economy, including the petrochemical industry, the autonomous regional party committee and government have formulated a series of policies for deepening reform and opening up to the outside world in all directions, thus providing a good external environment and relaxed conditions for establishing enterprises, importing funds, technology, and trained personnel, expanding the market, and developing resources. The region's communications are improving every day, its infrastructural facilities are fairly good, its fees for land requisition are low, and it has fairly substantial scientific research and technological forces. This can totally satisfy the needs in the great development of petrochemical and other industries. We should make the best use of these conditions to accelerate the development of the petrochemical industry.

To make this meeting successful, the autonomous regional petrochemical industrial department formulated the development plan for the Eighth and Ninth Five-Year Plan periods. During the meeting, efforts will be exerted to pool wisdom and give heed to the views of various quarters in a scientific manner to make the "plan" more perfect, reasonable, scientific, advanced, and operable. In this way, when the plan is appraised and decided upon, it can be included in the state's general Eighth and Ninth Five-Year Plans. Li Fulin, director of

the autonomous regional petrochemical industrial department, gave a report on the region's petrochemical industrial development plan.

### Inner Mongolia Develops New Power Projects

SK2011025392 Hohhot NEIMENGGU RIBAO in  
Chinese 11 Nov 92 p 1

[By reporter Li Shuxiu (2621 3219 4423): "Inner Mongolia Adds New Projects to Power Industrial Development Blueprint"]

[Text] The region has added new projects to the original blueprint for high-speed development of the power industry. According to the regional power administrative bureau's new plan, our region will open some new power supply centers to thoroughly end the region's power shortage history and also to supply north China with 1.5 million kw of electricity. In the Ninth Five-Year Plan period, the region's power supply capacity will reach another new peak; the installed capacity will reach 20 million kw. At that time, the region will supply Beijing, Tianjin, and Hebei with 5 million kw of electricity.

The region's power industry doubled its installed capacity when comparing the Seventh with the Sixth Five-Year Plan period. The installed capacity reached 3.8 million kw in the Seventh Five-Year Plan period. Before the convocation of the 14th CPC Congress, the targets covered in the Eighth Five-Year Plan doubled the figures in the Seventh Five-Year Plan period. According to the newly fixed target, the region's installed capacity should reach 8 million kw. The projects that should be fed into the power grid in the eastern part of the region include a 600,000-kw power generating unit covered in the third-phase Yuanbaoshan power plant and a 500,000-kw power generating unit of Yimin power plant. The projects that should be fed into the power grid in the western part of the region include four 800,000-kw power generating units of Fengzhen power plant; four 330,000-kw power generating units of Dalate power plant; two 100,000-kw power generating units of Zhungeer power plant; two 200,000-kw power generating units of Haibowan power plant; the expansion of two 50,000-kw power generating units of Hohhot power plant, two 50,000-kw power generating units of Huailiube power plant, and some heat supply units of the No. 1 Baotou power plant, Sanhe power plant, Ulan Hot power plant, Yakeshi power plant, and Xilin Hot power plant.

The Inner Mongolia power administrative bureau decided to add a group of new projects that start the construction in the Eighth Five-Year Plan period and complete the construction in the Ninth Five-Year Plan period, including Tuoketuo power plant, the second-phase Haibowan power plant, the third-phase Dalate power plant, and the first-phase Zhenglanqi power plant; and to ensure that the installed capacity of the power grid in the western part of the region will increase 4

million kw in the Eighth Five-Year Plan period, a 1.5-times increase over the Seventh Five-Year Plan period.

In the Ninth Five-Year Plan period, a greater rank in the battle array will be deployed in the western part of the region. Six 600,000-kw power generating units of Tuoketuo power plant will start construction in this period. Thus, the plant will gain a production capacity of 1.8 million kw in the Ninth Five-Year Plan period. Six 600,000-kw power generating units are covered in the third-phase project of Dalate power plant and three to four generating units should be completed in this period. The eastern part of the region will build Baoriletu, Daban, Huolinhe, Keyouzhongqi power plants; the third phase of Dongliao power plant; and expand Yimin power plant. By the end of the Ninth Five-Year Plan period, the installed capacity of the power grid in the western part of the region will reach 10 million kw. At that time, the region will reach the predicated target with the operation of the new power generating units in both eastern and western parts of the region.

### Northeast Region

#### Liaoning Secretary Inspects Anshan Enterprises

SK2011011492 Shenyang LIAONING RIBAO in  
Chinese 9 Nov 92 pp 1, 4

[Text] When conducting investigations and study recently in Anshan city, Quan Shuren, secretary of the provincial party committee, emphasized that the key to implementing the 14th CPC Congress guidelines and establishing the socialist market economy system lies in accelerating reform and opening up and pushing large and medium enterprises to the market.

Comrade Quan Shuren inspected some large and medium enterprises in Anshan 3-5 November. They included the Beifang Steel Casting Plant, the Anshan Iron and Steel Complex wire rod company, the Hongqi Tractor Plant, a glassworks, the general bicycle plant, and a boiler plant. He conducted in-depth investigations on ways to transform the operating mechanism and ways for enterprises to enter the market. He also inspected township enterprises and markets in Jiubao District and Haicheng city. Wang Julu, member of the provincial party committee standing committee and secretary of the Anshan party committee, and Ma Yanli, mayor of Anshan, also participated in the investigations and study activities.

Over the past few years, especially since the publication of Comrade Deng Xiaoping's talks given during his south China trip, Anshan has extended the degree of reform and opening up, accelerated economic development, performed practical work, made big strides, taken on a new look in urban and rural areas, and become full of vitality. Comrade Quan Shuren was very pleased with this. When he visited the glassworks in 1990, Director Ji Mancang introduced the hardworking experiences of

workers who saved glass residue to reduce costs. This time, Quan Shuren saw that the glassworks had imported a first-rate production line from abroad to produce a high-tech product, hollow glass blocks, to fill the domestic gap. He went upstairs and asked workers and German experts beside the automatic "block" production machine about the production. He encouraged the director to develop another production line. Quan Shuren was much surprised in Nantai town, Haicheng city. The shabby houses and vendors' stalls he saw during his last visit were turned into high and beautiful buildings for trade and new industrial, commercial, and residential areas consisting of blocks of new-style villas. Quan Shuren visited a new house of an individual business household to ask in detail about the changes brought by the large-scale production and circulation. He said with deep feeling that the market economy is an open production method involving different trades, localities, and even countries; and that those who do not open up will lag behind and those who open up first will gain benefits first. He also pointed out: Most large and medium enterprises were built under the planned economy system, and it is very difficult for them to enter the market economy. A fundamental change should be effected in the leadership system; the operating mechanism; the managerial styles and methods of enterprises; and the way of thinking of leading cadres, staff members, and workers. The responsibility of our leaders at all levels is to facilitate the change and push enterprises to the market.

Enterprises should transform the mechanism and enter the market more quickly. At the Hongqi Tractor Plant in Anshan, Quan Shuren made efforts to understand the experiences in the reform of three systems in particular. With tractors as their major products, the plant suffered a slump in the past two years. Beginning this year, it has initiated drastic reform in three systems. More than 1,000 cadres, staff members, and workers have left their posts to enter the market, resulting in a decrease in organizations and personnel and an increase in production. The plant has thus regained vigor. Quan Shuren liked the experience very much. He said: The current external conditions for state enterprises to transform the operating mechanism have greatly improved, enterprises have been given greater autonomy, mandatory plans have reduced, and market price controls have been lifted. Whether the transformation of the operating mechanism can be accelerated is first decided by the inner reform of enterprises. Now that enterprises have the powers for labor, personnel, distribution, and management, they should have the courage to exercise them. They should do a good job in fixing the number of posts, responsibilities, and remunerations; optimize the organization of labor; and strengthen management. They should have the courage to resolve their deep-seated contradictions. In short, enterprises should be invigorated. Only in this way can they enter the market.

Governments should continue to change their functions and help enterprises transform the operating mechanism. Quan Shuren praised Anshan for its encouraging

results in changing government functions. One-fourth of its office cadres have left offices to develop economic entities. Quan Shuren said: Governments should work out overall plans, pay attention to macroeconomic regulation and control, have a good command of policies, organize, and give guidance. They should have the courage to sever their link with enterprises, set enterprises free, and push them to the market. Governments should strengthen its function of service and pave ways and build bridges to guide enterprises to the market. Meanwhile, we should establish and improve the market system and build markets of various types, not only the markets for consumer goods and means of production but also the markets for money, labor service, technology, and personnel. We should also establish a social security system and develop the tertiary industry, such as commerce, banking, insurance, tourism, information, legal and accounting consultation, and service to people, to provide multifaceted service and insurance for enterprises to enter the market. We should pay close attention to and achieve success in all these areas of work.

We should aim at the market to adjust the structure and accelerate technical transformation. The Anshan Boiler Plant used to be a large deficit producer of the city. Last year, it began to carry out technical transformation and develop new products with utmost efforts, imported some advanced equipment, and developed 27 new products of high quality and good property. The output value created by the new products accounted for 92.6 percent of the total. The plant had few customers in the past, but now it is crowded with customers, and it has endless production tasks to finish. Comrade Quan Shuren said to plant Director Zhang Xiaoman: How can an enterprise enter the market if it sticks to one system for many years without change and if its products and equipment are old! The product mix should be adjusted in line with market demand, and the adjustment must never be permanent. Enterprises should open to the outside world more quickly and have the courage to bring in, master, and apply advanced foreign technology. Imports may be conducted in line with specific local conditions, and enterprises do not have to spend a lot of money to import whole sets of equipment. Sometimes imports of one or two key parts will be able to promote a whole line or a whole trade—the same result as we bring the painted dragon to life by putting in the pupils of its eyes. He said: Liaoning has plenty of large and medium enterprises, and they are rather aged. Structural adjustment is imperative because it is the only way for enterprises to survive and to enter the market. All localities should value and summarize experiences in this work. A good method or a good idea sometimes will become a fortune.

All enterprises should research the market and regard opening up of new markets as their strategic focus. The Anshan General Bicycle Plant used to be a large deficit producer, and Comrade Quan Shuren was always concerned about its development. This year, the plant effected a great change. Not only did it open up a new market in the country, but also it exported large numbers



of bicycles to Italy, the Netherlands, Indonesia, Australia, and the Philippines. It also established the Argentina-Anshan Bicycle Branch Company to engage in production, assembly, marketing, and other businesses. As a result, the plant began to make profits and regained its vigor. Comrade Quan Shuren was very pleased to see the plant's new outlook. He said: The 14th CPC Congress pointed out that the target of reform is establishing the socialist market economy system. Our enterprise directors should blaze new trails to make state-owned enterprises successful in the process of developing the market economy. In the past, enterprise directors could not be separated from "city mayors." Now that we are implementing the market economy, enterprise directors and markets are bound together, and the skills of enterprise directors are often reflected in the share of their products

in the markets. To open up new markets, the most important thing is to have good products. Meanwhile, we should have quick access to information, a competent contingent of marketing personnel, and emphasize public relations. Enterprise directors should not only know production and ordinary managerial methods, but they should also study enterprise diplomacy, know marketing psychology, and be particular about the methods and art of market exchanges. They should also earnestly render after-sale service. Speaking on opening up new markets, Quan Shuren repeatedly emphasized the importance of sufficient mental preparations. He said that full preparations should be made for linking the domestic market to the world market, and that ambitious managers should display their first-rate products and management in these two markets.

**PRC, Taiwan Experts Discuss Intellectual Property**

*OW1811140792 Beijing XINHUA in English 1402  
GMT 18 Nov 92*

[Text] Beijing, November 18 (XINHUA)—More than 110 experts from the Chinese mainland and Taiwan are attending a two-day seminar on patents, trademarks and copyrights which opened here today.

Xie Jianqun, vice-president of the Mainland Economic and Trade Coordination Committee, said in his opening speech that this seminar is aimed at enhancing mutual understanding of the two sides in the fields of intellectual property protection and exchanging experience of legislating in the area.

Xie noted that since the last seminar held a year ago in Guangdong's Zhuhai city, there has been new development in the area of intellectual property protection.

He said that the mainland passed the amendment to the Patent Law, and a new patent law will be in effect at the beginning of next year. China joined the Berne Convention on the Protection of Literary and Art Works as well as the World Copyright Convention. "We will make corresponding regulations on copyrights. The revision of the trademark law is under way," he noted.

Meanwhile, Taiwan issued a new Copyright Law. All these developments required the two sides to communicate and cooperate with each other in a timely manner, he continued.

Recent years have seen a big increase of economic exchange between the two sides of the Taiwan straits, leading to more mutual contacts in the area of intellectual property protection between the two sides. Patent applications and trademark registration applications have increased dramatically.

There were only 142 patent applications from Taiwan in 1988, but the figure had jumped to 5093 by the end of September this year.

In 1988 the mainland first accepted trademark registration applications, but there were 5845 applications by the end of 1991. From January to September this year the number rose to 3046, equal to 52 percent of the total in the past four years. By the end of September 1992, a total of 8891 trademark registration applications from Taiwan had been received.

Experts from the two sides of the straits will also exchanged views on the protection of patents, trademarks and computer software and disputes over intellectual property at the seminar.

The seminar is cosponsored by the Economic and Trade Coordination Committee of the mainland and the Chinese Commercial and Industrial Coordination Society of Taiwan.

**CPPCC Official Meets Daoist Delegation**

*OW1911131092 Beijing XINHUA in English 1143  
GMT 19 Nov 92*

[Text] Beijing, November 19 (XINHUA)—Zhao Puchu, vice-chairman of the Chinese People's Political Consultative Conference (CPPCC) National Committee, met with a delegation from Taiwan's Taoism [Daoism] association here today.

Zhao extended a welcome to the delegation, which is led by chairman of the association Chung-hsin Kao.

Zhao said to the guests that the exchange between the Taoist circle of the Taiwan straits will benefit not only to the development of Taoism but also the cultural exchanges across the straits.

Kao expressed the hope that the cultural exchanges across the straits will help promote the great cause of reunification.

Fu Yuan-tian, president of the China Taoist Association, was present at the meeting.

The Taiwan delegation arrived here yesterday at the invitation of the China Taoist Association.

**'No Plan To Engage' in Arms Race With PRC***OW2011081592 Taipei CNA in English 0759 GMT 20 Nov 92*

[Text] Paris, Nov. 18 (CNA)—The Republic of China [ROC] has no intention to embark on an arms race with Communist China, a ranking ROC official said Wednesday.

Ma Jing-jeou, vice chairman of the Mainland Affairs Council, made the statement in his speech to the European Parliament in Strasbourg in northeastern France.

Ma said the ROC has bought new foreign-made fighter planes simply because it needs to replace its aging military aircraft, such as F-104s and F-5Es.

"All the new fighters we bought are for defensive purpose," Ma noted. "We have no plan to engage in an arms race with Mainland China," he added.

Ma arrived in Strasbourg Wednesday after a visit to Munich where he attended a seminar on post-Cold War developments in Asia Pacific.

**President Li Meets With Visiting U.S. Senator***OW2011082492 Taipei CNA in English 0744 GMT 20 Nov 92*

[Text] Taipei, Nov. 20 (CNA)—The international community should jointly make efforts to build the post-cold war world order with wisdom and open mind, President Li Teng-hui told visiting US Senator William Cohen (R-ME [Republican-Maine]) Thursday.

During the meeting, President Li said the United States should, rather than withdraw from Asia, consolidate the inseparable interests between the US and the Asian countries through strengthening bilateral economic and trade relations.

Cohen agreed that in the face of the new situations, the close cooperative relations between the Republic of China [ROC] on Taiwan and America are an important link to global security and peace.

Also Thursday, Cohen called on Governor Lien Chan at the Taipei Liaison Office of Taiwan provincial government and expressed the hope that the ROC and the US would increase the exchange of ship-building technology.

The Maine senator departed from Taipei Friday after concluding a four-day visit. He arrived in Taipei on Nov. 17.

During the visit, Cohen also called on Vice Foreign Minister Chen Chien-jen, vice chairman of Council of Agriculture of the Executive Yuan Ling Shiang-nung and other ranking government officials.

A friend of ROC, Cohen had visited Taiwan three times before, separately in 1973, 1979 and 1985. He entered into the US Senate in 1979 after being a congressman for

six years. Right now he is also a member of the Senate Armed Forces Committee and the governmental affairs committee.

**Investment Guarantee Consensus Reached With SRV***OW2011120492 Taipei CNA in English 0808 GMT 20 Nov 92*

[Text] Taipei, Nov. 20 (CNA)—Vice Economic Affairs Minister P.K. Chiang said Thursday that the Republic of China [ROC] and Vietnam have smoothed the difference over provisions of the proposed bilateral investment guarantee agreement.

"Both sides have reached the consensus on the wording to be used in the pact. I believe it will be signed very soon," Chiang said.

Hanoi, which has diplomatic relations with Peking, has been cautious in striking the accord with Taipei though it is badly in need of Taiwan capital to revitalize its economy.

About 400 Taiwan companies have invested US\$800 million in the Indo-Chinese country, making the ROC the largest foreign capital supplier to Vietnam.

Taiwan businesses, under the accord, will be protected from losses arising from revolution, coup d'etat, and nationalization.

The ROC has [word indistinct] similar pacts with Singapore, Indonesia, the Philippines, Panama, and Paraguay.

Also Thursday, To Hung Nam, an industrial research official from Vietnam, in a background briefing on Vietnam in Taipei, called on local businessmen to make ventures in his country. "We are offering an attractive investment climate to foreign investors."

Vietnam is rich in [words indistinct] land as well as natural resources. Taiwan's labor-intensive industry is welcome to set up production posts there, Nam pointed out.

He went on to say that the Vietnamese Government, though still under communist rule, has revised laws to better protect private properties.

**Trade Council To Establish Center in Berlin***OW2011121092 Taipei CNA in English 0818 GMT 20 Nov 92*

[Text] Taipei, Nov. 20 (CNA)—The China External Trade Development Council (CETRA) will set up a Taiwan trade center in Berlin in February next year.

CETRA Secretary-General Liu Ting-tsu Friday told the visiting Berlin Mayor Ebehard Diepgen the trade center will collect trade information of the new federal states in east Germany and promote products from Taiwan.



CETRA has already a trade office in Dusseldorf. The trade center in Berlin has been under planning since Berlin was again made capital of the united Germany.

In addition to organizing exhibitions and seminars, the trade center will help medium and small enterprises in Taiwan and Germany to establish contact and explore cooperation opportunities.

**Labor Cooperation Pact With Philippines Planned**  
*OW2011121392 Taipei CNA in English 0803 GMT 20 Nov 92*

[Text] Taipei, Nov. 20 (CNA)—The Council of Labor Affairs (COLA) is seriously considering signing laborers cooperation agreements with the Philippines [words indistinct] to streamline the imports of foreign workers from the two southeastern countries, COLA chairman Chao Shou-po said Thursday.

Chao made the statement in a meeting with a delegation from the Philippines for discussions on Filipino workers in Taiwan. The delegation from Manila proposed that the two countries sign a laborer cooperation agreement to make workers exports from the Philippines to Taiwan more effective.

Chao said Jose Brillantes, undersecretary of labor of the Philippines, during his recent trip to Taiwan, has asked Taipei to jointly set up a cooperation committee on labor affairs with Manila.

Recruitment of Filipino workers by Taiwan entrepreneurs has become an issue earlier this year.

COLA announced a freeze on Filipino worker import recently because disputes between Taiwan entrepreneurs and Filipino laborer brokers have kept increasing, which included unreasonably high wages and compulsory service charges demanded by the Filipino workers.

**Tunisia Seeks Closer Trade Ties**

*OW2011081892 Taipei CNA in English 0740 GMT 20 Nov 92*

[Text] Taipei, Nov. 20 (CNA)—A Tunisian trade official said here Thursday that it is necessary for his country and the Republic of China [ROC] to exchange trade offices to promote closer trade relations.

Haj Fehry Mehrez, chairman of the Union Tunisienne de L'Industrie du Commerce et de L'Artisanat, also said that his association would sign a cooperation pact with the China External Trade Development Council (CETRA).

Mehrez, who led a 50-strong delegation to visit here to introduce the economic development in his country, expressed the hope that Taiwan manufacturers would invest in his country.

Liu Ting-tsu, CETRA's secretary general, said in his welcome remarks that Tunisia can serve as the base for

Taiwan investors who want to make inroads into the European Community and North Africa. He urged businessmen here to look seriously to its potential.

Bilateral trade between the ROC and Tunisia amounted to less than US\$10 million last year, but Liu said that with increasing contacts between the two countries, the potential for growth should not be ignored.

Mehrez also said that his country would like to use Taiwan as a springboard to jump unto the Asian market.

**Premier Urges Businesses To Keep Roots on Island**

*OW201115992 Taipei CNA in English 0812 GMT 20 Nov 92*

[Text] Kaohsiung, Southern Taiwan, Nov. 20 (CNA)—Premier Hao Po-tsun Thursday urged local businesses to keep their "roots" on the island while seeking to invest abroad.

"That way, capital outflow need not be feared because overseas investments will only suggest an extension rather than a loss of economic strength," Hao said in a meeting with 60-odd small business leaders from the southern part of Taiwan.

The premier called for concerted efforts by both the government and the people to build Taiwan into a place that can remain in an invincible position into the next century, whatever the development of the world situation and relations between the two sides of the Taiwan Straits.

For the government's part, active measures are being taken to restore social order and create a better investment climate.

Hao will also meet civilian leaders from southern Taiwan Friday [20 November] to hear their opinion and suggestions for use in formulating future government policies.

Earlier Thursday [19 November], Hao also spoke in a cabinet meeting after hearing a report on John K. Galbraith, a Harvard University economist who visited Taiwan earlier this week.

The noted economist gave a high mark to the economic policies that have led to the "economic miracle" the ROC [Republic of China] is boasting of. Hao said Galbraith's remarks again are an indication that the government's past policies were correct.

**'Highly Competitive' Elections Foreseen**

*OW2011081992 Taipei CNA in English 0757 GMT 20 Nov 92*

[Text] Taipei, Nov. 20 (CNA)—The forthcoming Legislative Yuan election will be highly competitive as the

number of candidates is nearly three times that of legislative seats available, election officials said Thursday.

A total of 351 candidates will compete for only 125 "regional seats" at stake, the officials said. Registration for candidacy for the Dec. 19 election closed Thursday.

Political analysts said the campaign is the most open electoral competition ever held in Taiwan. It is the first time the entire legislature is up for election since the government moved its seat to the island in 1949.

As the legislature is getting more powerful, the analysts said, elitists from different sectors of society want to vie for a seat in the high-profile, media-oriented political satge.

Campaign conditions in 13 of the 28 electoral districts around the country were described as "explosive." Such areas include Taipei, Hsinchu, Tainan and Kaohsiung cities, and Miaoli, Hualien, Taipei and Taitung Counties.

The race in the two Taipei constituencies is expected to be the most rigorous, with 68 candidates vying for 18 seats, analysts said.

Competition will be nearly as intense in Taipei County where 49 candidates will vie for 16 seats, the analysts said.

The ruling Kuomintang [KMT] nominated 98 candidates and will allow 27 others to run under its banner. The opposition Democratic Progressive Party (DPP) endorsed 59 candidates, while the Chinese Social Democratic Party (CSDP), led by legislator Chu Kao-cheng, recommended 22 candidates. And 11 other minor political parties fielded a total of 20 candidates.

Among the 125 other candidates who were not nominated by any political parties are former Finance Minister Wang Chien-shien and former head of the Environmental Protection Administration Jaw Shao-kong. Both Wang and Jaw were popular cabinet ministers who resigned last month to run for the poll.

Several controversial KMT and DPP politicians have also registered their candidacies without the backing of their respective parties. They included the KMT's Chou Chuan, Wu Tzu, Wu Yao-kuang and Wang Tao-fu, and the DPP's Hsu Ming-teh and Huang Tien-sheng.

All of these candidates will run as independents, and the votes they garner will not be included in the total used to distribute "national" and "Overseas Chinese" representative seats.

Both the 30 "national" and six "Overseas Chinese" representative seats will be filled from lists drawn up by each of the main parties, with numbers allocated in proportion to each party's performance in the "regional" or "constituency" polls.

The KMT has nominated 27 candidates to vie for the 30 "national" seats; the DPP fielded 16 hopefuls; and the CSDP named three candidates.

The ruling party has also fielded six candidates for Overseas Chinese representative seats; and the DPP nominated three.

Political observers said the KMT may lose one "national" representative seat to the DPP because many of its members who will run without party approval are popular and may win a large number of votes cast.

KMT officials expect its candidates to win at least 65 percent of the ballots cast in the "constituency" polls, while a DPP official predicts that the opposition party will bag more than 30 percent of the vote.

The high number of candidates is expected to raise voter turnout. Interior Minister Wu Poh-hsiung predicted Thursday that the voter turnout may well exceed 70 percent.

"Some 10 million of the 13.4 million eligible voters are expected to cast their ballots in the upcoming poll," Wu noted. The voter turnout for the last year's National Assembly election was 68.32 percent.

More than 130,000 election workers will be mobilized to ensure smooth proceeding of the election, the minister reported. He urged candidates to show sportsmanships in the campaign and the voters to stand up against bribery and violence.

### October Economic Performance Remains Flat

*OW2011120192 Taipei CNA in English 0816 GMT 20 Nov 92*

[Text] Taipei, Nov. 20 (CNA)—The Taiwan economy remained flat last month, a private economic organization said Friday.

A survey conducted by the Taiwan Institute of Economic Research (TIER) on the manufacturing sector shows that 13.1 percent of the manufacturers polled rated October's economic performance as "good," 59.2 percent said it was "mediocre," and 27.7 percent thought it was "bad."

The figures in September stood at 9.7 percent, 60.3 percent, and 30 percent respectively.

TIER officials pointed out that the domestic economy exhibited lackluster signs in October, with inventories, orders, import and export prices, and sale profit ratio plunging. Manufacturing production remained almost unchanged in the month, they added.

On the economic outlook for the next six months, 9.7 percent of the surveyed forecast it will turn for the better, 56.9 percent predicted it will remain almost the same, and 33.4 percent said it will become worse.

## Hong Kong

### PRC Spokesman Reiterates Position on Hong Kong

OW2011093292 Beijing Central People's Radio in Mandarin to Taiwan 2200 GMT 19 Nov 92

[From the "News and Current Events" program]

[Text] A reporter asked how China will abide by the Sino-British Joint Declaration since Zhu Rongji, during his visit to Britain, pointed out that the Hong Kong authorities had violated the declaration and other relevant regulations. Foreign Ministry spokesman Wu Jianmin said that the Chinese people have never been ambiguous on matters of principle. He expressed the hope that the British authorities will return to the orbit of cooperation.

[Begin Wu Jianmin recording] Zhu Rongji pointed out in London that the Hong Kong authorities recently forwarded a proposal designed to effect a major change in Hong Kong's political structure. Obviously, the way the Hong Kong authorities acted and the proposal's content have violated the relevant provisions of the Sino-British Joint Declaration and violated the understanding reached between China and Britain that political development in Hong Kong should converge with the Basic Law. Zhu Rongji said that people cannot help asking if the Sino-British Joint Declaration is to be observed and if the understanding between China and Britain is to be scrapped. This is an important matter of principle on which the Chinese Government and people have never been ambiguous.

Vice Premier Zhu Rongji also stressed that we sincerely hope that the British side, proceeding from the interests of safeguarding Hong Kong's prosperity and stability and from the common interests of China and Britain, will return to (the orbit) provided for by the Sino-British Joint Declaration. [end recording]

### RENMIN RIBAO Commentary Criticizes Patten

HK2011104492 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 20 Nov 92 p 1

["Commentary on Hong Kong" by Tong Xing (4547 5887): "'International Card' Cannot Help Chris Patten Much"]

[Text] After colluding with the pro-British and anti-Chinese factions, represented by people such as Martin Lee, in energetically playing the "public opinion card," Chris Patten then hastened to embark on a tour of Australia, Canada, and the United States in a bid to convince and lobby a few Western allies to lend a helping hand with his constitutional reform package.

In point of fact, playing the "international card" will not help Chris Patten much.

First, the Chinese Government has repeatedly stated its solemn position: The Hong Kong issue before 1 July 1997 is an affair between China and Britain and a purely Chinese internal affair after that date. It is improper for any "third party" to make irresponsible remarks and a violation of the norms of international relations to get itself directly involved in Hong Kong affairs. How many countries will be willing to follow that country's foolish practice of upsetting the norms of international relations and ruining its own international image when the condemnations of the United States passing the Hong Kong Policy Bill from the Chinese Government and perceptive people in Hong Kong are still ringing loud? Did not the prime minister of a certain country, who had made a few empty statements about giving his "support" to Chris Patten a few days ago, also state explicitly his unwillingness to get involved in Hong Kong affairs?

Second, since China and Britain signed the Joint Declaration, as both the Chinese and British Governments have basically maintained a cooperative and consultative relationship, Hong Kong has been able to maintain social stability and economic prosperity—this is a fact beyond dispute. Demanding convergence with the Basic Law, a smooth transition, and maintaining good relations with the interior has become the consensus among Hong Kong people. The "three violations" constitutional reform package promoted by Chris Patten has already triggered open dispute between China and Britain, created polarization and confrontation among Hong Kong people, and put Hong Kong's smooth transition, prosperity, and stability in jeopardy. The support of foreign powers for Chris Patten's constitutional reform package is tantamount to supporting his move to throw Hong Kong into chaos, which can only harm Hong Kong people. Should not those Western governments which are loudly yelling the slogan of "human rights" give some consideration to the consequences and think about their moral responsibility?

Third, it is in the interests of all countries and investors, including British concerns, to ensure that Hong Kong, as an international banking, economic, trade, and shipping center, has a balanced [ping heng 1627 5899] transition and long-term stability and prosperity. "The moat will also be jeopardized when the castle gate catches fire." Throwing Hong Kong into chaos will not only harm Hong Kong people but also the interests of investors from different countries and sectors. Any wise foreign government, after weighing the advantages against the disadvantages, will not bet the interests of its investors on Chris Patten's risky stakes. People in the industrial and commercial sectors from different countries who want to continue to make money in Hong Kong, certainly will not want to do this.

Fourth, and this may be a little offensive, but by what right do Western governments interfere in other people's business, when they themselves are faced with a pile of difficult problems, such as domestic economic recession, worsening ethnic and racial disputes, increasing complaints from the people, and falling government prestige?



What right do they have when they can do nothing about the fleas that are crawling all over their bodies?

Of course, there will always be people who do not want to see unification in China and who are afraid that China will grow strong. It will not matter even if Chris Patten manages to find a few allies, and a few people like Martin Lee, to pursue another round of the anti-China chorus. The sky will not cave in because of that. The Chinese Government and people have never been vague on matters of principle. The Chinese people, "who have weathered cataclysmic changes," will not be scared by any storms or waves. The "Cold War" era blockade could not make China bow down. The three and a half years of economic sanctions were not able to make China bow down. What weight can the card played by Chris Patten today have for China? On the contrary, we would like to tell those people whose minds are still residing in times more than 100 years ago: Do not entertain any illusions about another run of "Eight-Power Allied Forces" to bully the Chinese people. The present era is no longer one of pirates. Today's Chinese Government is not the Qing Dynasty Government and today's Chinese people are no longer the "sick men of East Asia." Whoever has a wrong concept of time, and of whom they are dealing with, and tries to force history backward, will surely have lifted a rock only to drop it on his own foot.

#### 'Roundup' Summarizes UK Debate Over New Airport

OW2011102292 Beijing XINHUA in English 1007  
GMT 20 Nov 92

#### ["Roundup"]

[Text] Hong Kong, November 20 (XINHUA)—The Hong Kong Government has decided to seek the approval from the Legislative Council for funds to award the airport site reclamation contract worth 9,041 million H.K. dollars (1,159 million U.S. dollars) despite strong opposition from the Chinese side.

The Chinese side declared three times over the past week its disagreement to the action of the British side to go it alone with the airport construction which, it said, constitutes a violation of the Sino-British memorandum of the understanding on the new airport at Chek Lap Kok.

Chief representative of the Chinese team of the Sino-British Joint Liaison Group (JLG) Guo Fengmin, in a Thursday [19 November] interview with XINHUA, said without an overall funding agreement the British side's unilateral action is bound to cast a heavy financial burden on the future special administrative region government and bring about a huge waste, thus sabotaging the understanding reached between the two sides in the memorandum of understanding.

Observers here noted that the British side, by deciding to apply to the Legislative Council's finance committee for the funds allocation for the airport site formation, goes back on its words.

At the meetings of the airport committee held on July 16 and 30, the British side said that it would be imprudent, risky and wrong to allocate large amount of funds before an agreement on the whole financial arrangement for the airport was reached.

Chief Secretary of the Hong Kong Government David R. Ford also described the allocations without an overall financial arrangement for the airport as being not sensible in his speech at a symposium of the Hong Kong General Chamber of Commerce July 17.

The go-it-alone action taken by the British side has met strong opposition from Hong Kong residents including members of the Airport Consultative Committee.

In a press conference earlier this week, Wang Liang-huew and Sit Fung-shen, both members of the Airport Consultative Committee, described the go-it-alone action by the British side as being "irresponsible and unwise".

They agreed that the action would make it more difficult for the Chinese and British sides to reach an agreement on overall financial arrangements for the new airport and worsening the current confrontation between the two sides.

Wang said that the process of making the decision was also undemocratic, saying that the British side failed to consult with the consultative committee about the decision. "This makes it impossible for the committee members to supervise the progress of the airport project and still less the Hong Kong people," he said.

Cheng Yiu-tong, delegate to the National People's Congress, said that what the government is applying for is money earned by the hard toil of the Hong Kong tax payers. "As a Hong Kong resident," he said, "I am opposed to using Hong Kong people's money without seeing a bright future and high efficiency for the investment."

"What the British side first should do is to get back to the lane of the memorandum of the understanding on the airport and restore cooperation and consultation with the Chinese side," Cheng said.

The British side's refusal to implement the memorandum and clinging to its course reveals its insincerity in solving the current political controversy through negotiations, he added.

Guo Fengmin has said that the British side will have to bear all the consequences arising from its unilateral action and the future special administrative region government will bear no responsibility for it.

### Liaison Official on Airport

OW2011024792 Beijing XINHUA Domestic Service in Chinese 1532 GMT 19 Nov 92

[Text] Hong Kong, 19 Nov (XINHUA)—Guo Fengmin, chief representative of the Chinese side to the Sino-British Joint Liaison Group, issued a statement to XINHUA reporters today on the British Hong Kong Government's decision to apply to the Legislative Council [Legco] to seek funding for the contract of the site preparation project of the new airport. The statement text follows:

The British Hong Kong Government, in disregard of the Memorandum of Understanding [MOU] between the Chinese and British Governments on the building of the new airport and other related issues, is preparing to apply to the Legco Finance Committee to seek funding for the site preparation project of the new airport before an agreement is reached by the Chinese and British sides on the overall financial arrangement. Because of this, the Chinese side has no choice but to solemnly point out: The Chinese side will not accept any unilateral action taken without consultation with and approval by the Chinese side. The British side's unilateral action to build the new airport before an agreement is reached by both sides on the financial arrangement is bound to incur a heavy financial burden on the special administrative region [SAR] government and cause huge waste to the project, thereby violating the understanding reached by the two sides in the memorandum on the airport. If the British side refuses to carry out this MOU and acts willfully, the future SAR Government will not be responsible for any consequences arising therefrom; and the one which makes the decision shall account for the decision to the citizens.

### Patten Offers 'Praise' for Zhu Rongji

HK2011065192 Hong Kong SOUTH CHINA MORNING POST in English 20 Nov 92 pp 1, 2

[By David Wallen in London]

[Text] Governor Mr Chris Patten went out of his way yesterday to praise Chinese Vice-Premier Mr Zhu Rongji in an obvious attempt at fence mending following this week's row.

Mr Patten denied suggestions that Mr Zhu may have been trying to drive a wedge between himself and the British Prime Minister, Mr John Major, in comments critical of the democracy package made during his visit to London earlier this week.

"I don't believe that he was trying to do that," he said.

"He is a distinguished Chinese political leader," said Mr Patten.

"He has played a formidable creative role in the development and opening up of the Chinese economy."

He added: "We have been delighted by his visit to London and by all of the meetings he has been having with political leaders."

Mr Patten's comments were in marked contrast to the view held elsewhere in Whitehall that Mr Zhu had attempted to create a rift in the united stance of both the Hong Kong and British governments.

Mr Patten said he personally was reacting "calmly, rationally and constructively" to the impasse with Beijing.

It was important that people recognised that when he said he would be happy to consider other proposals and that the Hong Kong people would be happy to consider other proposals he was speaking "nothing but the truth."

A dialogue was needed on how "one country, two systems" could continue after 1997.

Mr Patten said he had not made up the fact that arrangements for the 1995 elections had to be considered. The Hong Kong Government had to discharge its responsibilities on this as these were areas on which the Basic Law was silent.

There had been no change in British government policy towards Hong Kong, although he admitted he had adopted an alternative approach to that of previous governors.

In Beijing yesterday, China's Foreign Ministry spokesman Mr Wu Jianmin said the Hong Kong Government had to abandon its plans for limited democratic reform before any progress could be made in the dispute.

He said Mr Patten's proposals represented a "gross violation" of the Joint Declaration and the understanding between Britain and China that the evolution of Hong Kong's political system should converge with the Basic Law.

"Under these circumstances, people can't help wondering if the Joint Declaration is still to be observed or if the Sino-British understanding is to be scrapped," he said, an allusion similar to that used by Mr Zhu and widely interpreted as meaning Beijing might not honour the agreements after 1997.

The overseas edition of the People's Daily quoted pro-Beijing Hong Kong lawyer Miss Dorothy Liu Yiu-chu as saying the foreign media was wrong in its interpretation.

"This is a case of deliberately spreading rumours and creating confusion among the people," the report paraphrased Miss Liu as saying.

The paper said: "She pointed out that Zhu Rongji's tone was mild, and he was just reiterating (that) China's consistent position...of implementing the Joint Declaration has not changed."

However, Mr Wu's comments brought a fresh angry response from the British Embassy in Beijing, with a

spokesman flatly rejecting the charge that the proposals represented a violation of the Joint Declaration.

Embassy spokesman Mr Mathew Henderson said: "The ball is very clearly in their court. The Governor has made his proposals and it is not unreasonable to expect a response."

#### 'Confrontational Action' of Democrats Criticized

HK2011091492 Hong Kong ZHONGGUO TONGXUN  
SHE in Chinese 1524 GMT 19 Nov 92

["Special article" by Tong Xing (4547 5887): "Arousing Confrontation on the Streets, They Will Not Win Popular Support"]

[Text] Hong Kong, 19 Nov (ZHONGGUO TONGXUN SHE)—According to newspaper reports, the chiefs of the United Democrats of Hong Kong [UDHK] are going to restart something. They have invited other organizations to launch a signature campaign and have even planned to take to the streets to stage demonstrations to express support for Patten's political program. The target of their confrontation action is self-evident.

Not long ago, Martin Lee and several other pro-British and anti-China politicians echoed Patten by wantonly hurling insults and dirty words at the Basic Law in a Legislative Council [Legco] debate, saying that the Basic Law was some "long and smelly food-bindings," and was aimed at drawing the Hong Kong people into "hell." They also denounced the "through train" arrangement as a "red pig-cage railway carriage" and said that "convergence is the enemy of the Hong Kong people." They were swollen with anti-China arrogance. They blamed the Legco for hesitating and also tried to bring such confrontation onto the streets. After Martin Lee and his ilk burned the Basic Law a few years ago, they were forced to deny and cover up their intention for a time under pressure from the prevailing situation. Now, with Patten's support, they have thrown away all disguise and come out into the open to stage open confrontation on the streets. All this echoes the escalation of the British side's challenges. People should maintain a high vigilance against all this.

In the dirty history of British withdrawal from countries and regions under colonial rule, one can easily find that they would elaborately sow discord and create confrontation among local people and this always led to turmoil and bloody conflict. The unrest was always aroused by the local "democratic champions," step by step. Instigating people to take to the street was a very dangerous step in the sinister plots. It was said that some organizations in Hong Kong which stood for "quickening the development of democracy" also did not dare to positively respond to the United Democrats' plan. This showed that people were aware of the serious consequences of taking such a step.

Before their withdrawal, the British colonial rulers, facing the sunset of their rule, are trying to leave the root

of confrontation, turmoil, and even bloody conflicts to Hong Kong in the future. This is their long-term premeditated scheme and they are trying hard to realize it. On the other hand, to realize their political ambition, Martin Lee and his like have to rely on foreign forces to create trouble in Hong Kong. They use each other and collaborate more and more closely. This is the real motive of the two sides in acting so harmoniously in misleading local residents and provoking disputes.

Since the Sino-British Joint Declaration's signing, Hong Kong has been advancing along the course charted by the Joint Declaration in the orientation of converging with the Basic Law. This has maintained Hong Kong's prosperity and stability. If this continues, there will be a smooth transition and long-standing prosperity and stability under the principle of "one country, two systems" and people in Hong Kong will live peacefully and work happily. However, if Chris Patten and Martin Lee and his like are allowed to continue their "three violations" and stubbornly carry on confrontation, then it is likely that Hong Kong's future and the Hong Kong people's interests will be completely ruined overnight [hui yu yi dan 3014 0060 0001 2481]. It is believed that all Hong Kong people who love the motherland and Hong Kong are unwilling to see such consequences. Still less will they be driven by them onto the war chariot of confrontation and onto the path leading to the self-destruction of their well-being.

#### Commentator 'Optimistic' About Foreign Trade

HK2011121892 Hong Kong ZHONGGUO TONGXUN  
SHE in Chinese 0938 GMT 3 Nov 92

[Commentary by Yu Cheng (6735 2052)]

[Text] Hong Kong's overall export trade has remained stable in the first three quarters of this year, and it is showing good prospects. It is believed that the settlement of trade disputes between China and the United States will be favorable to the development of Hong Kong's foreign trade.

The value of Hong Kong's exports registered a 2.3 percent increase in August over the same period last year. To a very large extent, this could be attributed to uncertainty over the outcome of the Section 301 trade talks between China and the United States. During the same period, the annual growth rate in the volume of transit goods from Hong Kong to the United States rose to as high as 39 percent, still clearer evidence of the misgivings of Hong Kong businessmen, who chose to ship their goods to the U.S. market in advance due to fears that Hong Kong's exports to the United States would be affected if Sino-U.S. trade talks were to break down. Now that China and the United States have reached a consensus through the memorandum of understanding on Section 301, optimism about the prospects for Hong Kong-U.S. trade is justified.

Wholesale purchasing managers from the United States arrived in Hong Kong to inspect samples and place



orders recently, and it seems that Hong Kong's Easter season exports to the United States will increase remarkably. The U.S. presidential election undoubtedly involves quite a few unclear factors, but, whoever becomes the next master of the White House cannot ignore China's vast market. It is believed that economic and trade conflicts may still arise between China and the United States in the future, but such conflicts will not lead to too dreadful a deadlock. Instead, after the U.S. presidential election, the economy and consumption will be temporarily stimulated, and, thus, one can be optimistic about the prospects for Hong Kong's exports to the United States.

As for trade between Hong Kong and Mainland China, there is still room for expansion. Because the 14th CPC National Congress adopted a decision to develop the socialist market economy, that is, to speed up economic development and draw in foreign investment, both industrial and commercial investments and consumer demand will be increasing daily, and China will import and export all kinds of goods through Hong Kong to meet actual market demand. In the first eight months of this year, the value of Hong Kong exports to Mainland China drastically increased 16 percent over the same period last year, and the value of transit goods increased nearly 40 percent. A still higher growth rate is expected in the future.

Hong Kong businessmen will greatly benefit not only from trade, but also from their industrial investments in south China because of the substantial growth in consumer demand and industry and agriculture in Mainland

China. Hong Kong manufacturers have been continuously investing in labor-intensive industries in south China over the past 10 years or more, and, in recent years, they have increased investment in technology- or capital-intensive industries as well. Therefore, the gradual opening up of China's domestic market is beneficial to Hong Kong businessmen who have already established themselves there.

To be sure, the recent performance of the West European market shows no improvement, but there is still a chance for development in the days to come. No obvious signs of economic recovery have been observed in most major West European countries so far, and that is the reason Hong Kong can hardly make a breakthrough in raising exports to Europe. What is noteworthy is that there are indications of a steadily diminishing trend in terms of the margin of decrease in Hong Kong exports to Germany, Britain, the Netherlands, and France. The prospects for Hong Kong exports to the West European market will not be too gloomy, however, as many West European countries have shown a more positive intention of stimulating economic growth by lowering their interest rates. It is believed that this practice will gradually increase consumer confidence and the potential of Hong Kong exports to West Europe. In fact, Hong Kong businessmen have consistently increased investments to produce quality products, and they are capable of having a greater share of the West European market. Meanwhile, Hong Kong businessmen have gradually established a more developed operational or marketing network in West Europe, so they should be able to gain a greater advantage in the market there.

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